Daily Report

Latin America

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CONTENTS

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

CARIBBEAN

Cuba

Castro Gives Moncada Anniversary Speech *[Havana Radio, TV]* 1
Ortega Warns of 'Potential Risk' of Civil War *[Hamburg DPA]* 14
U.S. Role in Latin America Drug Struggle Viewed *[Havana International]* 14
Carlos Rodriguez Receives Julius Nyerere *[Havana TV]* 15
Castro Gives Speech at Agricultural Center *[Havana TV]* 15
Castro on Manufacturing of Road Repair Equipment *[Havana TV]* 18

Inter-Caribbean Affairs

Charles Favors Concrete Action on Regional Unity *[CANA]* 21
Trial Banana Shipments Begin to GDR, USSR *[CANA]* 22

Barbados

Opposition Criticizes Tight Monetary Policy *[CANA]* 22

Haiti

4 March Protocol Agreement Published 23 July *[Port-au-Prince Radio]* 22
State Council Issues Communique 24 July *[Port-au-Prince Radio]* 23
CEP Says Electoral Activity Could Be Halted *[Port-au-Prince Radio]* 23
Artibonite Group Says UN Military Force Needed *[Port-au-Prince Radio]* 23
Jimmy Carter's Arrival on 25 July Noted *[Port-au-Prince Radio]* 24

Jamaica

IMF Negotiations To Continue, Waiver Sought *[CANA]* 24

MEXICO

1990 Salinas-Gorbachev Meeting Postponed *[NOTIMEX]* 26

CENTRAL AMERICA

El Salvador

Delegations Agree To Human Rights Verification *[ACAN]* 27
FMLN, Government Issue Statement *[San Salvador Radio]* 27
'Text' of Agreement *[AFP]* 28
Handal Says Armed Forces Issue Still Pending *[San Jose Radio]* 29
Rebel Command Issues Communique on Talks *[EL DIARIO DE HOY 25 Jul]* 30
FMLN Says Cristiani Abetted Jesuit Murders *[ACAN]* 31
Rebel Commentary on Cease-Fire Requirements *[Radio Venceremos]* 31
Justice Minister Interviewed on Peace Talks *[San Salvador Radio]* 32
Political Party Says Cristiani Should Testify *[ACAN]* 33

Nicaragua

Central Bank President Explains Gold Cordoba *[Managua Radio]* 34
Conservative Party Communique Supports Government *[Managua Radio]* 34
Article Questions Freedom of Expression *[BARRICADA 25 Jul]* 35

SOUTH AMERICA

Argentina

Menem Offers To Mediate in Cuban Refugee Case *[DYN]* 37
Official Discusses Bush Plan, Ties With Cuba *[TELAM]* 37
Bush Plan Examined *[CLARIN 22 Jul]* 37
Cavallo on Ministry Reorganization, Bank Secrecy *[TELAM]* 38
Foreign Ministry Undersecretariat Abolished *[BUENOS AIRES HERALD 26 Jul]* 39
British Ambassador Comments on Falklands, Trade *[DYN]* 39

Brazil

Aylwin, Collor Issue Joint Economic Declaration *[Brasilia Radio]* 40
Chilean Official Says Coup Not Possible *[Santiago Radio]* 41
Itamaraty Wants Chilean-Type Solution for Cuba *[O ESTADO DE SAO PAULO 25 Jul]* 41
Debt Negotiation To Include Interest in Arrears *[O ESTADO DE SAO PAULO 25 Jul]* 41
Industrial Production Falls 10.5 Percent in May *[Brasilia Radio]* 42
* Current Status of Gubernatorial Races Viewed *[ISTOE 4 Jul]* 42

Chile

Antidrug-Trafficking Measures To Be Reinforced *[LA TERCERA DE LA HORA 19 Jul]* 45
Official Rules Out Use of Nuclear Power Plants *[EL MERCURIO 19 Jul]* 45

Colombia

Drug Trafficker's Extradition to U.S. Approved *[Bogota Radio]* 45
Liberal Party Legislator Killed in Cucuta *[Madrid EFE]* 45

Paraguay

Government Appoints Foreign, Justice Ministers *[Asuncion TV]* 46
Relations With EEC, East Europe Promoted *[EL DIARIO 26 Jul]* 46
General Says Forces Not Involved in Politics *[ABC COLOR 26 Jul]* 46
Cavalry Commander Stresses Respect for Elections *[ABC COLOR 26 Jul]* 47
Work Permits for Security Companies Canceled *[EL DIARIO 26 Jul]* 47

Peru

Lima Prepares for Presidential Inauguration *[Buenos Aires DYN]* 48
Economic Situation, Fujimori's Plans Viewed *[Buenos Aires DYN]* 48
Minister Named; Change 90 Official Resigns *[Lima TV]* 50
President Garcia Bids Farewell to Peruvian Army *[Lima TV]* 50
President Garcia Discusses Central Bank Reserves *[Lima TV]* 50
Marine, Policemen Die in Terrorist Attacks *[Madrid EFE]* 51
150 MRTA Terrorists Attack Yurimaguas Town *[Lima TV]* 51
* Change 90 Faces Internal Controversy 51
* Details of Honma Removal *[CARETAS 18 Jun]* 51
* Fujimori Supports Reggiardo *[EL COMERCIO 17 Jun]* 52
* Bank Reserves Called 'Negative' *[CARETAS 18 Jun]* 53
* Petromar Chief Favors Gas Hike *[EL COMERCIO 22 Jun]* 54
* Agriculture Minister on Drought, Food Supplies *[EL COMERCIO 22 Jun]* 55

Venezuela

Government Announces Changes in Cabinet *[Madrid EFE]* 56

Suriname

Economic Status of 'Great Concern' to Netherlands *[Paramaribo International]* 56
Pronk Sets Conditions on Aid *[Bonaire Radio]* 57
Arron 'Disappointed' With Conditions *[Rotterdam NRC HANDELSBLAD 24 Jul]* 57

Cuba

Castro Gives Moncada Anniversary Speech

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[Speech by Fidel Castro Ruz, president of the Councils of State and Ministers, on the 37th anniversary of the attack on the Moncada Barracks, at the Plaza of the Revolution in Havana—live]

[Text] Dear Comrades Julius Nyerere and Daniel Ortega, former presidents of Tanzania and Nicaragua; [applause] leaders of the vanguard parties in those countries; brothers in the struggle against imperialism and for all the noble causes in this world; relatives of those who died at the Moncada Barracks and other revolutionary actions; fighters of the Moncada Barracks; comrades:

I must begin by saying that I do not like this platform. It is too far away from the people. [applause and shouts] It should have been where it was on other occasions, on other occasions [repeats himself], there, near the first row, but it was done for I do not know what architectural reasons—the height and I do not know what else—and that was my first protest upon arrival here.

In addition, there is a tremendous sun, such as we have not seen on other occasions during previous summers. Perhaps it is the consequence of the changes in climate. I can imagine how many of you really slept last night, after the carnival, but I hope we will resist what there is left of the sun, without a single cloud. This afternoon is also a symbol of the revolution: A lot of sun and not a single cloud! [applause]

We had not met for quite some time in a mass event like this one with the fellow citizens in the city of Havana. An event in the capital is always more difficult.

When we hold ceremonies in the provinces, we only have to place a few thousand chairs around for people to sit on, and the rest of the people stand. It is much easier to hold ceremonies in the provinces than when we hold ceremonies with a multitude such as the one present here. Everyone is standing and crowded together here, and the weather conditions are very unfavorable. Havana, however, made efforts and earned the right to be the venue for the 37th anniversary. [applause]

Unlike previous occasions, however, I do not think it is suitable to give you too many statistics this afternoon. It would be an endless task to try to describe the efforts made by the people of Havana City Province throughout the years of revolution and in recent years. Havana had 1.4 million inhabitants at the triumph of the revolution. Today Havana is inhabited by approximately 2.1 million people. Our capital is, despite everything, an example of a correct and fair revolutionary policy. Havana is among the three or four capital cities in the world—I am referring to cities in developed countries—where the population grew at a slower rate than in the remaining cities of the country. This proves how positive it was to implement that policy by which we distributed the nation's resources throughout the country, and thanks to which we promoted development in the rest of the country.

Most, if not all, Latin American and Third World cities are experiencing an enormous phenomenon. We are referring to the problem of unhealthy neighborhoods. Some wealthy Latin American countries have cities in which 60 percent of the population lives in unhealthy neighborhoods. In our country, in our capital, not even three percent of the population lives in unhealthy areas. And at present, the residents of these areas are engaged in a program to eradicate the unhealthy neighborhoods. We have not experienced the problem of an increasing concentration of population in our capital city.

Now we do not have just one university in the country. We have universities in all the provinces. There are good hospitals and good medical and educational services, not only in the capital, but in all the provinces of the country.

Highly professional personnel are being trained in all the provinces, which are now granting postgraduate degrees. All provinces are involved in research activities, and cultural and sports programs are being developed in all the provinces. There are housing projects being implemented in all provinces. Recreational and other centers are being built, and other needs of the people are being satisfied. It is for this reason that we can say our country serves as an example.

It is true that some aspects of developing the capital have been disregarded. I think that more could have been done. We are making this evident because now, with fewer resources than ever, the capital is producing more than ever.

To give you an idea of the situation, I will just say that during the revolution, 17 billion pesos have been invested in the capital. Approximately 50 percent of this has been invested in construction projects, with the rest in equipment of all sorts, including industrial, transportation, medical, and research equipment, etc.

Right now the revolution is investing more than 1.2 billion pesos annually in the capital. I have some figures that establish the difference between how it is now and how it was before the revolution. I have promised not to give too many figures.

I will mention two sectors:

Before the revolution, 79 million pesos were invested in the education sector throughout the country. Now we invest 314 million pesos, four times the investment before the revolution.

The investment in the public health sector was between 20 million and 30 million pesos throughout the country in the days prior to the revolution. Now, in the capital alone, we invest 351 million pesos.

This is why our experience is not that of the Latin American and Third World cities where a large percentage of children do not have any opportunity to go to school.

Our investments also explain the health level reached in our country and our capital, and why last year the infant death rate was 10.4 for every 1,000 children born alive.

In other words, this is one-third the infant mortality rate of Washington, the capital of the empire. Life expectancy in our capital is so high that it is among the highest in the world, much higher than in many developed countries. I must admit that the lowest infant mortality rate is not in Havana. The rate is below 10 in some provinces.

I must also admit that life expectancy in the capital is not the highest in the country. Life expectancy in Havana is about 74 years, and the rate is over 74 in many provinces.

Our capital city has a first-class network of hospitals, and some services that are not available in any other capital cities of the world are available in our city. A few days ago, we dedicated some installations to treat retinitis pigmentosa, to mention just one example. It has a complete network of clinics.

Our province has 452 child care centers and 104 special education schools. All of the children in the capital who need special education schools have such schools. One hundred percent of these children have their schools. I do not believe this is the case in any other capital in the world. [applause]

There are 104 mid-level technicians for these 104 schools. There are 12 universities, while before there was only one. The progress and achievements in the capital city of our country are quite significant. However, this effort has been accelerated in past years.

Beginning with the process of rectification, we started several programs, some of which have been completed. The program of child care centers was developed, and 114 centers were built in only two years. There had been only five in the five years before that. Twenty new polyclinics were built to complete a network of clinics for the capital city. This network was completed. Twenty-four special education schools were built to complete the network of special education schools. Other programs were also begun and are being carried out.

The housing construction program has been increased in recent years, thanks to the rebirth of the minibrigades. This year we are planning to increase the construction of housing to nearly 15,000 units, almost four times more than were being built before the process of rectification.

There is a program for the construction of streets in the capital. There is a program for the construction of agrarian markets. There is a program for the construction of market warehouses. There is a program for the construction of bakeries—a program to build 100 bakeries. These programs are being carried out expeditiously. A program for the development of the construction materials industry is under way. It has almost been completed and it multiplies our production capabilities in that sector. We have other programs in other sectors. In the education sector, a program has been prepared for the construction of all the elementary schools and high schools that are necessary, so that each student is in adequate and modern installations. With our efforts we hope to turn the capital into one of the most functional and humane cities in the world.

The rectification process began in the capital. The minibrigades movement was reborn here, and 40,000 have now joined the minibrigades movement. The contingents movement was born in the capital with the Blas Roca Contingent [applause], a movement that today includes more than 40,000 construction workers. The capital alone has approximately 10,000 construction workers organized in contingents. There is even one entire industry working as a contingent, and this example and spirit have extended throughout the country.

The capital supplies important resources to all the nation in many industrial branches—the energy branch, the fuel branch, the iron and steel industry, the chemical industry, the light manufacturing industry, the pharmaceutical industry, and other branches. The capital provides essential products to the rest of the country.

The capital has approximately 20 percent of the population and 25 percent of the country's workers, who now number approximately 900,000. One out of three [as heard] workers is here in the capital. These workers do not just include the health workers in many hospitals who give their services to all the country, nor just the ones working in the education sector and the schools that give their services to students from other provinces, including Havana Province, but also those in more than 100 scientific research centers.

Thousands and thousands of Havana City scientists are currently promoting new technological and scientific advances in a very special way. Because the revolution has tried to be fair, things that happen in the interior of so many other countries do not happen in our country's interior. In those countries, people in the interior are envious of the capital city. They resent the capital city because it has this and that and because it consumes a significant part of the country's resources.

Our capital city has worked very hard during the last few years. It has contributed in improving the country's economy, and it has struggled against bureaucracy and inflated rosters. Havana has reduced the number of administrative and supervisory personnel by several thousands. Our capital city has been concerned with seeking economic efficiency. It has tried to produce more with less resources. It has tried to maintain tight warehouse inventories and to control production costs. There

is not one single field—including education, health, sports, culture, and the economy—in which the capital city has not made special and fruitful efforts throughout these years. For those reasons, it seemed fair to us to choose Havana as the venue of this 37th anniversary. [applause]

We, however, are celebrating this anniversary at a very special time in the country's life and in the life of the revolution. We believe that at present our people are making exceptional efforts in all fields. Our people in the capital city are working as hard as those in the remaining parts of the country. I have been informed of this by the comrades who are constantly touring the island from one end to the other. There is a great spirit of struggle all over the island. There is an extraordinary work spirit all over the country.

I believe our people are responding to these times, to these difficult times, just as they should respond. [applause] For example, after a dry, a very dry year as far as rains are concerned; after experiencing late and unseasonable rains, including a cyclone after 20 December; and with a sugarcane harvest conducted in the middle of unseasonable rains and a storm in mid-May, the country produced 8.4 million tons of sugar. [applause] It was a true feat. We can add that it was an extraordinary deed. We have lived through a difficult and unfavorable year. We had unseasonable rains in the dry season and extremely high temperatures in the middle of the winter that considerably affected some of our crops.

Nevertheless, in May, June, and July the agriculture workers were exerting themselves to sow the sugarcane, to clean the fields—because the harvest had ended late—and to sow and sow again in the other agricultural sectors—vegetables, edible roots, and other products—in an effort to compensate for the losses caused by this year's irregular climate. In Havana Province, which is not the only one that supplies the capital but which is the basic source of supplies for the capital, they sowed hundreds of caballerias more than what was planned.

The weeds came, which is natural, and the capital's help was necessary. Thousands of workers from the capital left for the province's fields with an exemplary discipline and a high productivity to support Havana Province's work in sowing edible roots and vegetables. It is a fact that the possibilities that the revolution has given to all the citizens has also resulted in a certain exodus from the countryside to the cities. I do not say the capital. Some have come to the capital and others have gone to other cities in the provinces and to Havana....[corrects himself] to other cities in Havana Province, and the social development of those provinces has absorbed a great amount of labor force.

However, just like we said that the capital did not need the people from the eastern provinces to build houses and other construction projects—although we still have some, we have some around here—it was also said that we could build no more because we lacked the labor force. However, the minibrigades movement has proved that the capital had all the labor force it wanted; and that the limitations, in any case, would be the construction materials. Similarly, if we need to produce food, the capital has all the labor force needed to produce the food required by this city with a population of 2 million. [applause]

Some comrades said that they were happy to participate for 15 days because they were now more aware of the efforts and sacrifices that the workers have to make to supply the capital of the republic. I say that we see labor feats everywhere. It was necessary to urgently refurbish the Jose Marti Pioneers' City, and thousands of men from the capital, from the minibrigades and the organizations, went there and in a few weeks they carried out and completed 800 projects—between repairs and things they built.

When we speak of projects... [Castro changes thought] During the past few days we have heard many statistics, but numbers do not give us a clear picture of what is being done. Thousands upon thousands of projects were completed prior to 26 July. One of these projects was the City of the Pioneers, and this was only one project. Likewise, 10,000 homes were repaired, but this was counted as a single project. There are hundreds upon hundreds of similar projects. I have learned that approximately 300 family doctor house-offices have been built, and like this one many other projects have been completed. Two days ago we visited some of these projects. The Nico Lopez Refinery is a big industrial project, as are the San Miguel Wholesale Market, the Retinitis Pigmentosa Center, and a defense project, which is also very important—we cannot do all those other things and forget our defense. Hundreds of housing projects have been inaugurated in this short period of time.

I have mentioned some examples of projects. Another example I can mention is what the people of Havana did that was not included in the plan for the year's activities. This project, the City of the Pioneers, forced the mobilization of approximately 7,000 workers. However, if you visit the country, if you visit Santiago de Cuba, you will see the feats the people of Santiago de Cuba are accomplishing. If you visit the area north of Villa Clara or Ciego de Avila or Camaguey, you will see that 1,000 men are changing that region by building embankments and recovering hundreds of kilometers of beach land and other virgin areas to be used for the economic development of the country. As a rule, that is the spirit that prevails wherever you go.

We are carrying out the food plan. This food plan is the biggest effort ever made by the country in the production of food. This plan includes sugar cane, which has become an important raw material for the production of animal feed, which is used for the production of milk and meat. Sugarcane is no longer just a very important trade exchange product. We are working hard with sugarcane. We have opened eight dairies. This year we will build approximately 180 dairy farms. Before the rectification

process, we were building approximately 10 dairy farms. This activity had greatly decreased.

We have plans to build approximately 240 dairies and all the installations necessary to care for calves, young bulls, etc.

We are working on a parcels-drainage program that could be called parcels-drainage and irrigation program. There are 121 work brigades being employed by this program at present, and by the end of this year 201 brigades will be working under this program.

We are working on an engineering system for rice production. The idea is to change rice production conditions in 160,000 hectares. In the future, this should result in our rice production being at least double what it is now.

We are working on hog production centers. We are building 52 of them. There are two new ones already. We are also building approximately 2,000 installations for raising fowl so as to increase the production of eggs and fowl.

We are working on ambitious plans for citrus plants and livestock enterprises. We are also working on plans for the production of vegetables and fruits.

The effort being made in the food production program is aimed at satisfying the nation's needs. Its main objective is not to export the products. We will export sugar, especially, of course, and sugar derivatives. Part of this production will be used to feed animals. We will also export citrus, which is a growing program. We are getting close to an annual production of approximately 1 million tons. However, the objective of the food production program is to satisfy the needs of the people.

We are working on other important sectors for export purposes, especially in the field of medicine. This sector is being developed and will become one of the most important export sectors.

We are also working on developing tourism to increase our foreign exchange income for the development of the country and to cover the many needs of the country, especially now.

I want to say that an exceptional effort is being made in line with the exceptional situation we are living through.

We are also developing the social sector. We are building houses, centers for children, special schools, and other installations everywhere. So far we have been able to maintain these programs, in spite of the circumstances. I can tell you on this 37th anniversary that the country is working like never before.

We are engaged in profound analyses and debates in discussing the convocation of the party's fourth congress. We are trying to work as much as possible to find, plan, and implement all the measures that can be implemented to improve our socialism. I have no doubt that many useful and fruitful ideas to strengthen our revolution will come out of these debates. And we will not have to wait for the fourth congress to begin to implement some of these ideas. [applause] As long as we see that there is a national consensus with respect to all these problems. Today, I repeat, the country is doing more than ever with fewer resources than ever. But chance has made this gigantic effort coincide with exceptional and unexpected international events. Who would have imagined that the socialist bloc would collapse like a house of cards? Who would ever have imagined that the USSR itself would have the difficulties and the problems it has now? We want to be realists. I cannot come here on this 37th anniversary and say that everything is fine, that we are not threatened by any danger, [applause] and that no problems threaten us. We cannot say this. [applause; indistinct chanting]

It is a hard thing that our most extraordinary effort to develop the country and consolidate socialism in our nation should coincide with a catastrophe in the socialist bloc. Given the imperialism blockade, which has lasted more than 30 years now, and no one knows how long it will last, we do not want to even think about that, nor do we count on the imperialists for anything in our plans for the future.

When our economy was mainly based on the solid pillars of our economic relations with the socialist bloc, and particularly with the USSR, all these events began to occur, bringing great uncertainty with respect to the resources the country will have available in the years to come. Thanks to the extraordinary efforts made by the revolution, the people have hardly been able to perceive real problems, because of all the efforts we make every day so that children will not be without milk, so that there will be medicines, so that essential foods will not be lacking, so that transportation will not be lacking, and so that nothing will be lacking [applause] to carry out our development program. But really we are working under very tense conditions, very tense, [repeats] with respect to the essential resources we have.

These are problems we had never had before. The situation with fuel is tense, very tense. This is an essential product. We are receiving lower amounts than the ones that were discussed, analyzed, and contracted for. The situation with many raw materials is tense. I am not going to list them, but they are essential—as essential as fertilizers, metals, wood, etc., etc., etc.—for our industrial products and our agricultural products.

Trade with a few countries of the former socialist community and with a few of the former socialist nations has practically disappeared. It continues with others. We are not complaining about the Soviets. I can say this with all honesty and all frankness. We are not complaining. [applause] And why are we not complaining? And why are we not complaining in spite of the fact that some deliveries of some products are been reduced by 50 percent? Because we know that the Soviet Government is doing everything possible to fulfill its commitments. It is making all efforts to fulfill its commitments. [applause] But their own difficulties and their current

objective problems are greater than their good intentions to do the most they can, to comply with the agreed-on deliveries, to continue their greatest cooperation effort with respect to Cuba.

To tell the truth, we have problems with many of these products, but we know they are making the greatest effort. I must say so; it is historically correct for us to say so. And to date we have seen it this way. Of course, the objective realities are reality. Of course, the greatest hopes of imperialism are based on this, that even if the Soviets want to, they will not be able to maintain the level of supplies, the level of economic relations with Cuba, and that the problems this causes our country will be such that we will not be able to endure them. Last year in Camaguey Province I discussed these issues, and I explained what our attitude was and what our attitude should be; what the attitude of our people was and what the attitude of our people should be; what the attitude of our party and our revolutionary militants was and should be; what the attitude of communists should be; what the attitude of patriots should be; [applause] and what the attitude of the millions of honorable men and women in our country should be. It should be to fight, fight, fight, to resist, resist, resist. [applause]

I even said something on 26 July in Camaguey that perhaps would have seemed strange to some, even an exaggeration. If the socialist camp should disappear from the world, we will continue building socialism in our country. [applause] I said something more, I said something more [repeats], which I did not believe would happen and did not expect. I said, if the USSR separated, if the USSR crumbled, if the USSR disappeared, we would continue building socialism in our country. [prolonged applause]

Socialism is not an option arising from a situation. It is not a temporary game. It is not and cannot be a transitory decision. Socialism was an unavoidable historical need. Socialism was the result of our society's political and ideological development, a result of our history. We truly wanted to be an independent country. We truly wanted to be a free country, a country that owns its destiny, a country that owns its resources and its economy, a country with the right to build its own future. Our country was a colony for centuries and later a Yankee neocolony for many years. We wanted to put an end to all that injustice and all that garbage, so we had to sweep the capitalist system away from our country. [prolonged applause and chanting]

We have swept away that system from our fatherland, and it will never come back, at least not as long as there is a communist, a revolutionary, a patriot in this land. [prolonged applause and chanting] Nevertheless, nevertheless, [applause and chanting] nevertheless they underestimate us, they underestimate us. [repeats] Yankee imperialists believe we will not be able to resist. How little do they know our people, this people who at the beginning, even before we were a nation, waged a war for 10 years in the bushland against one of the most powerful European military powers of the time. For 10 years, barefoot people, enduring the most incredible suffering; men, women, and even children. They resisted for 10 years and they went back to the fighting, went back to the fighting [repeats] as an expression of a truly indomitable spirit.

We have meditated a lot, and we have prepared plans. We have talked about the special period in peacetime, which would be, for example, a situation in which only half of the oil we have today—or less—would be available. No one knows. We must always think about the worst problems and what to do. We are truly full of high hopes for all the projects we are creating and building today. We want to continue with all our social programs, new schools, new child care centers, new health centers, new sports and recreation centers, and the construction of many houses; in sum, what we call our special program.

However, if we had to sacrifice our social program as a result of these circumstances, we would sacrifice our social program. I have thought about this, and I have said it more than once: If we built no schools for five years, we would still be the first country in the world in education! [applause] In other words, the first country in the Third World, and we could almost say in the entire world, because what we now have in special schools, what we have today in many of these sectors, and what we have accumulated is so much that if we did not build one of these installations in 10 years, we would still be number one, because our teachers would still be trained and they would continue to acquire more experience.

If we did not build a single health center in five years, we would still be the first country in the Third World, and one of the first in the world, in medical assistance! [applause] If we could not build a single child care center in five years, and furthermore if we could not build a single house in five years, we would be capable of waiting the necessary time, and we would perhaps be capable of building twice as much as we are building right now. [applause]

If our social development plans have to be sacrificed, we must be prepared to sacrifice them. However, we must not sacrifice the economic development. Not a single dam of the dozens of dams that we are building must stop. Not a single canal of the hundreds of kilometers we are building must stop, just as we must not stop a single irrigation system, a single plot drainage and irrigation brigade, a single rice engineering system, a single embankment construction brigade, a single one of the brigades building hotels to increase our revenues of convertible currency, or, above all, a single one of the brigades building scientific units and centers to create one of the most promising industries in the country, the medical industry.

The following example should suffice: From zero exports in 1989, we will export approximately 300 million rubles

in medicine, vaccines, biotechnology products, and medical equipment to the USSR in 1990. To give you a better idea, let it suffice that we have offered, that we have offered [repeats himself] 800 million rubles for 1990, [corrects himself] for 1991.

Well, we will have to wait for someone to fix this microphone so all of you can hear me! However, if something is heard, I advise you to resign yourself. At least, I can speak to those who are hearing. Is that all right? Later, you can spread this by word of mouth. [applause]

I was saying that we are offering 800 million rubles in medicines, similar products, and medical equipment of advanced technology. Just look at the efforts our scientists are making! Just look at the efforts our workers in the fields are making! In two years, they have been able to meet a production of 800 million rubles. This includes meningococcus vaccinations, just to mention an example, hepatitis type B vaccinations, economic [corrects himself] epidermis growth factor, and so forth. This also helps with the economic growth, so it was not really such a bad mistake.

Our production capacity for this year and the next year is higher. Our scientists are working day and night, creating new things that are decisive for human health. Just look at these efforts! Let me give you some statistics, even though we do not like to give many figures, so that the enemy will not be well-informed.

I think there are some things we can say. Just consider the development potential of our country at this time, in new fields that were the exclusive right of the developed countries. Furthermore, I will say something else about what we are doing with the centers we are developing and with the centers we are building. There will be very few medications that the transnationals produce and we are unable to produce. [applause]

Time is what we need, but actually we have very little time to do what we are doing. We are working in that field with the same enthusiasm with which we are working in the food, tourist, and many other programs. We are working on the production of export products or to substitute imports.

I think that in these lean years our people are learning very much. Perhaps some day we will be grateful for this challenge we have had to meet. With this same passion [changes thought] I thought that was a cloud, but it is a balloon. I thought: That is some cloud, but as it turns out, it is a balloon and it has covered the sun. We might call it a balloon eclipse. [laughter] It has covered the sun completely, even though the sun gets larger when it is setting.

As I was saying, we are working with the same passion we are developing the country's natural resources for the tourists. We are doing that at a tremendous speed. There are 20,000 men working at this. I do not want to give any more details that will allow the imperialists to be informed about the things we are working on. [applause].

Now that the enemy is no longer the socialist bloc, now that the enemy is no longer the USSR, we are the imperialists' enemy. The enemy is none other than us, Cuba. Well, I am not going to say that there are not some other countries where there is a revolutionary movement, but Cuba is here, 90 miles away, a few inches from the Yankee base. For the imperialists the enemy is now Cuba, and they are concentrating all their strength, all their attention, and all their powers of publicity against Cuba.

Now, there are two, three, four, or five different types of communism or socialism. There is good and bad socialism. Cuba's socialism is bad socialism. [Castro pounds on podium] The imperialists have said so. [applause] There are several types of communism. Ours is bad communism. [Castro pounds podium five times] There are various types of revolution. Ours is the bad, intolerable, and unforgivable revolution. That has been decreed by the imperialists. What luck! What luck! We wound up with the bad socialism, the bad communism, and the bad revolution. We ended up with the revolution that must disappear from the face of the earth. That is the imperialist mentality.

And they have been aggressive. In only a few months they have conducted almost six very hostile actions against us. One of them is the television station, which they named after Jose Marti as an insult to us. Look at the kind of things we have had to put up with! The things we have had to put up with! [repeats phrase] The television channel that cannot be seen. [La TV que no se ve] [Play on rhyming words in Spanish] [crowd laughs] [applause] And now [Radio Marti] has turned into Radio Menti, [Radio "I lied"] [Play on words in Spanish] which is not heard either and which will be heard increasingly less. And bear in mind that we have not yet transmitted our music to the United States. And we have the means and resources to do so. We could even have them dancing Lambada there all day long if we wanted to. And this includes the White House, because our radio stations reach the White House without any problems. But we have acted with moderation, and we chose simply to jam their signal. We, however, have many more means. That television station was a truly aggressive and absurd action. It violated international law and regulations. It violated everything.

A few weeks later, they conducted clandestine maneuvers using powerful military means. They did this in silence. And we, in the middle of the sugarcane harvest and our agricultural programs, were forced to mobilize hundreds of thousands of people without neglecting the sugarcane harvest and the basic tasks. The Cuban Shield maneuvers demonstrated the level of readiness and organization that the Revolutionary Armed Forces and our armed people have reached. [applause] They forced us to expend a great deal of energy in those maneuvers.

But they forced us and still force us to spend even more resources on the country's defense.

Two days ago I told a group that is building fortifications: What you are doing is one of the most noble and useful tasks you can carry out for your country. This is going to help us protect all those other things we are creating. We have shown the imperialists our will to fight. We have shown them that any adventurous move on their part will be very costly. This is why we must not regret the steel, cement, resources, machinery, and tens of thousands of men, who, instead of building centers, schools, homes, or other things, are building fortifications. Despite the situation, this is one of those important and untouchable projects.

Even more repugnant and despicable is the release of the killer Orlando Bosch, the author of one of the most despicable crimes ever committed in the world. The crime he committed made hundreds of thousands of people who gathered at this very same square cry. He is a known and proven gangster and terrorist, a man who was found guilty of the crime. Yet they, that country that speaks of terrorism and other things, were shameless enough to release him. They had the incredible shamelessness of releasing him. This is another offense that our people will never be able to forgive. [indistinct shouts]

However, that is not all. You may have heard in the news that on the eve of the Houston summit, on the eve of the meeting of the world's richest countries, the seven richest powers in the world, that some of those countries, especially France and the FRG, were talking about giving economic aid to the USSR. Do you know what the United States did in these difficult times for the USSR? In these difficult times for the USSR, the U.S. Government said that it would not help the USSR, nor would it agree to give the USSR aid, as long as it did not suspend its economic and military aid to Cuba. What shamelessness! That is how far Mr. Bush's sickening obsessiveness goes. That is how far it has gone. At a time when the EEC, a part of the EEC, decides to give economic aid to the USSR, the United States conditions that aid with the end to the economic aid and supply of weapons to Cuba. Cuba is a country that is constantly being threatened by the imperialists, yet they do not want the USSR to send us a single weapon or a single bullet. That is why it sets those humiliating conditions. The Soviet Government responded with dignity. They said that they were not begging for alms and that no economic aid can be conditioned to political matters. [applause]

That is how far the United States will go in these difficult times for the USSR. They cannot stop thinking about Cuba. They see Cuba in their soup. I imagine that every morning when Mr. Buche [belly] has breakfast, he sees Cuba in his coffee, in his water, and in his bread. Asleep or awake, he cannot forget Cuba. Asleep or awake he cannot forget Cuba. It is a sickening obsession and a shame for the world. The U.S. allies in Europe keep asking themselves: How far will those madmen go? But just see what their intentions are.

Now I must refer to the most recent Yankee maneuver and the action against Cuba. I am referring to the embassy incidents that occurred recently.

You will see how insolent they are, even more than what you imagine, and I will explain it in detail. This has been one more shameless aggression against our country. To be accurate, I have brought along some notes of what has happened and how it happened. This began on 9 July 1990—this month. Since 9 July it makes 17 days, right? Right, 17 days, just 17 days ago, five Cuban citizens entered the Czech and Slovak Republic's Embassy in Havana and asked for shelter. The first reports said the five Cubans did not request political asylum but wanted to be considered as refugees and be allowed to travel abroad, just as if the embassy were a travel agency.

On 10 July two other Cubans entered the Czech and Slovak Embass;. This is a new name. I thought it was called Czechoslovakia, and I am used to calling it that, and since I am not so much of a diplomat, it makes no difference to me to call it either way. Obviously, all this generated great publicity. Before the Czechoslovak or Slovak Czech charge d'affaires notified the Foreign Ministry of this, all international news agencies had already reported the event. The worm radio stations in Miami were already reporting the event long before the charge d'affaires had notified the Foreign Ministry. This received worldwide publicity. Everything had been planned for that purpose, to carry out a propaganda campaign against Cuba. Obviously, when one of those madmen, one of those borderline cases [fronterizos], lumpen, and idlers, listen to these kinds of things, they say to themselves: This is my opportunity! They want to see what they can get, spoiled by the propaganda and by the empire. [crowd chants indistinct slogans]

Nothing happened on Tuesday, 10 July. There was only a worldwide scandal and huge publicity about this. I said that nothing happened on Tuesday, 10 July—only a worldwide scandal. Did you hear me? Good, I am glad. What should I do? If I shout more, then I will not make it to the end.

Anyway, on Wednesday, 11 July—did you hear me?—seven other Cuban citizens entered the Czech and Slovak Embassy in Havana, also with the alleged purpose of leaving the country. On Thursday, 12 July—notice that the first incident took place on 9 July, so instructions had already been issued—a man with an infectious disease that is quite repugnant and that on many occasions causes mental disorders, a man armed with a machete, jumps over the forged iron fence, breaks a window with the machete, and armed with the machete enters the embassy and remains there for 24 hours with the machete in his hands.

He is a crazy and sick man, a man who should be sent to a hospital. He was given temporary shelter—an odd word, a new word, an illegal word, a word that has been invented by certain Western gentlemen. Of course, all this resulted in publicity, publicity, and more publicity.

News reports flew all over the world. It seemed that the world was coming to an end in Cuba.

On 12 July, four men and one woman—let me see if there is anything else here. I believe that something is missing. No, I already said 11 July, right? You heard me? On 11 July seven citizens entered. Correct, seven. That is on 11 July. Now, on 12 July, in addition to the one who entered the Spanish Embassy with the machete, four men and one woman entered the residence of the Czechoslovak charge d'affaires. The residence, not .he embassy. This happened on Thursday, 12 July.

On Friday, 13 July, two more citizens entered the Spanish Embassy in Havana with, they say, the intention of getting a permit to leave the country. One of the men, whose surname is Aldana Ruiz, deceived the ambassador, saying he was a cousin of Carlos Aldana, a party leader. This was of course the first time that the Aldana family had heard about this alleged relative, unless you allow for the fact that we are all descendants of Adam and Eve.

This provoked an uproar in Spain. They believed they had a big one, a big fish, nothing less that one of Aldana's relatives. If that were the case, what difference would it make? We all have one or two relatives who have misbehaved, but, in this case, he was not. We already know that they were exerting themselves in the embassy so that this man could leave, but over there, when they heard this about Aldana, they said: What? No, no. Keep him there by all means.

It was excellent material for a scandal. That same day, meaning 13 July, when the two men entered the embassy, an ANSA report datelined in Washington reported—just think, some had entered the Czechoslovak Embassy and others had entered the Spanish Embassy—that the Department of State said today that the case of the Cuban refugees at the embassies in Havana reflects the lack of respect for human rights in Cuba. We believe that the Cuban citizens live in such fear of persecution that their own government... [corrects himself] in such fear of their own government's persecution of the exercising of their basic human rights that they feel their only recourse is to seek shelter in foreign missions. This was stated by Department of State Spokesman Robert Boucher. Cuba is arresting prisoners—this is nonsense because a prisoner cannot be arrested; he must first be arrested before he becomes a prisoner—and the people are being harassed to the extent that they have to seek shelter in embassies, Boucher stated.

The spokesman added: It is clear that these events show that Cuba is not in tune with changes taking place in the rest of the world. Here we have again that communism is evil and socialism is evil.

The State Department reported that seven Cubans sought refuge in the Czechoslovak Embassy in Havana Tuesday night, for a total of 14 refugees in that diplomatic mission. One person sought asylum at the Spanish Embassy.

This is the man with the machete. Look at all these official statements being spread throughout the world about what Cuba is doing, and here we have these little angels that have decided to seek refuge in embassies.

On that same day, 13 July, in the afternoon, two persons who had entered the Czechoslovak Embassy on 10 July left the mission voluntarily and surrendered themselves to the authorities.

The AIN [National News Agency] later issued a communique reporting that these two persons had been delivered to their relatives.

On that day, the Cuban police unit in the area of the Spanish Embassy frustrated a citizen's attempt to break into the diplomatic mission by force. According to reports, this person had jumped over the fence and was followed by policemen, who struggled with him and fired into the air. Shots were fired into the air when this person tried to enter. Much ado! Much publicity! Look at this: If the person is not stopped, then they say he was let in, and if he is stopped, then they report there were shots fired into the air. What is the role of a policeman? We will have to start looking for Tarzans, for people like [Cuban boxing champion Teofilo] Stevenson, for people like the members of our wrestling team. Those policemen were armed and they fired shots, not to wound anyone but as a warning. This produced quite a fuss in Spain and the world. This was big-fuss material on a daily basis.

On Saturday, 14 July, the Spanish foreign minister announced in Madrid that the Spanish Government would reinforce its embassy's security to prevent a possible avalanche of Cuban refugees, and he reiterated that none of the three Cubans would be delivered to the authorities. The Spanish foreign minister filed a protest with the Cuban Government for what has been called a violation of the diplomatic mission.

On Sunday, 15 July, the Spanish foreign minister told Spanish television that the problem of the refugees was a very delicate matter because of the consequences it would have for the Cuban Government and its international image. Look at all the crazy man with the machete started! They are already trying to scare us with the international image.

On that same day, 16 [as heard] July, the Spanish foreign minister—now you will see how things work out—declared in Brussels that the EC—here is an appeal to the EC already—must urge the Cuban Government to resolve, for humanitarian reasons, the problem of the refugees in the embassies. He stated his concern over the events and noted that it is clear that Spain—watch this—it is clear that Spain will shelter and guarantee the security of all those wanting to enter its embassy. And he will not deliver anyone to the Cuban authorities.

Look at this open and honest invitation to enter the embassy. What an invitation to enter the Spanish Embassy was made to the lumpen, borderline cases, and madmen immediately after a man with a machete entered the embassy!

The minister insisted that Spain will very firmly and convincingly tell the Cuban authorities that all nations of the world must show respect for human rights.

And what violations of human rights have we committed? And something like that cannot happen at the end of the 20th century? According to other press variations, he also said that Spanish diplomacy will continue working cautiously. Just look how cautious they are, not losing their cool. We must admit that the situation is not easy at all. It is very delicate and it will have an effect on bilateral relations. We have already been threatened about the bilateral relations.

Tuesday, 17 July: A Cuban Foreign Ministry communique reported that the citizens who had sought refuge at the Czechoslovak Embassy voluntarily left the embassy the night before and turned themselves over to the authorities. After an investigation, they will be sent home.

On that same day, four citizens enter the residence of the Italian ambassador and request political asylum, according to the foreign press. The five individuals who continue to occupy the residence of the Czechoslovak charge d'affaires say they will stay there, as long as they have strength. The press agencies report that one individual was arrested when he tried to enter the U.S. Interest Section building in Havana. Just look at the way the situation developed. This person was a mental patient who had been hospitalized nine times.

Wednesday, 18 July: The Cuban Foreign Ministry responds strongly to statements made by the Spanish foreign minister to various western media. These statements were highly hostile and offensive toward our country. This led to scandal and anger among the Spanish authorities and the rightist press. Apparently, Cuba could be attacked and offended by all means, but it did not have any right to answer.

On that same day, the U.S. Government protested over the Cuban police arresting one unidentified person who was on the grounds of the Interest Office. It was the mental patient. There was a protest about the guards using violence and not allowing anyone outside the Interest Office.

On that same day, another Cuban—the fourth one—entered the Spanish Embassy. He entered by jumping a side gate, at about 1430.

Thursday, 19 July: Spain suspends cooperation with Cuba and says it will not resume it until there is a solution to the problem caused by the entry of Cubans in the embassies.

The news got here through an EFE report citing statements by the Spanish cooperation secretary. Up until that point, Spanish cooperation with Cuba totaled 2.5 million [currency not specified] and was used in the field of education. It is important to be aware of this, because the Spanish Government has told some Latin American leaders that it has not suspended its cooperation with Cuba and that the only thing that was suspended was a joint meeting that was scheduled to be held around these days. How are we supposed to take the statement made by the Spanish cooperation secretary in Brussels then? How can we interpret that statement? And Spain not only did that. Spain not only declared the suspension of the cooperation with Cuba but also asked the EC to do the same in order to standardize a policy toward Cuba.

On 19 July, the five refugees who had been in the residence of the Czechoslovak charge d'affaires since Wednesday, 11 July, surrendered to the Cuban police. After that, there was no Cuban refugee left in any Czechoslovak diplomatic facility. All the fourteen Cubans who entered the Czechoslovak Embassy from 9 July and on left that facility before the end of last week.

On 19 July, Cuban television carried a program explaining the embassy incidents through interviews given by various leaders of well-known counterrevolutionary groups who had been working on the plot for several months. The program also included statements by members of the Group of Five [not further identified] which began the plot on 9 March.

On Friday, 20 July, the chief of the U.S. Interest Section said he was very offended by the things that those who participated in the plot said on the television program. The U.S. Interest Section chief called the members of the diplomatic corps accredited in Cuba to a meeting to deny the participation of the U.S. Interest Section in the incidents involving the arrival of a group of people in the Czeck and Slovak Embassy in Cuba. The U.S. Interest Section chief gave his version of the facts and presented testimonies given by CIA members. This happened on 20 July. On that same day, another five Cubans entered the Spanish Embassy. With this new group, there were a total of nine people at that embassy.

On Friday night into Saturday morning, on Friday the 19th, no, on Friday night into Saturday morning, two more groups of Cubans—one group of four persons and another of five persons—entered the Spanish Embassy in Havana, increasing to 18 the number of refugees at that mission. The embassy is located in a complex area. The carnival passes through that area, people live in that area, and there are buildings on each side of the embassy, so it is not a very easy area to protect. It took a special effort and many men to keep the scum from rushing the embassy and accepting the charming invitation made by the Spanish Government.

On Saturday, 21 July, nothing out of the ordinary happened except for that early morning incident. On Saturday, 22 July, no, 21 July, Friday was 21 July, on Saturday, 22 July, three people in all—one went in first and two followed later—entered the Swiss Embassy in

Havana. Their status was of temporary refuge. This status does not allow them to remain inside the embassy or choose the country to which they wish to go. The Swiss diplomatic authorities tried to persuade them to abandon the Swiss mission. On that same day, five Spanish National Police Special Operations Group policemen, GEO, left for Havana to join the other four who were already here to reinforce the security of the Spanish Embassy.

On Monday, 23 July, nothing out of the ordinary happened. On Tuesday, 24 July, nothing out of the ordinary happened. Yesterday, 25 July, the three people who had entered the Swiss Embassy left the mission. This means that there are still 18 people at the Spanish Embassy and four others at the Italian Embassy. That is the situation we have at this moment.

Now, let us think about this for a while. First, except for the five persons who conspired with the U.S. Interests Section and the Czechoslovak Embassy, none of those people had any problems. They had no cases pending, nor are they wanted by the police. As a rule, all those who participated in these activities are crazy people, scum, or common criminals with criminal records.

However, on 19 July everything became quite clear. On that day one of the leaders of these small groups contacted the authorities—apparently they were angry because they felt deceived, mistreated, and used as tools—and reported that what had occurred was nothing new. They learned this through the media. He explained that the whole plot had been organized since March. He gave all the details. I will not repeat them here. You have already heard them. He explained about his talks with Yankee officials and the way in which everything was planned.

We must say that this Yankee plan had the lowly cooperation of the Czechoslovak charge d'affaires. The things one has to see! Not only that, they say that they were preparing the plan and the Czechoslovak charge d'affaires personally told them: Why do you not stay here now? He persuaded them not to wait any longer, to stay right there. They told him: But you have no permit. He answered: Do not worry, I can get it in a matter of minutes.

He called Prague and said he had five persons who wanted to stay as refugees. Magnificent! Marvelous! A service to the Yankees! They told him yes. There was a party. They had beer and sausages, everything. The international media were summoned and the whole world was informed—before the Cuban Government knew—that these five persons were there. Of course! This was intended, as they explain, to provoke an explosion. Any lumpen element who felt like going for a ride and participating in an adventure should begin by entering the embassies. This was a flagrant violation of norms, laws, and agreements that guide the conduct of embassies and ambassadors. Cuba has no asylum agreement with any European country! Never! No European embassy has the right to grant asylum in our country, much less presume that we will be blackmailed later on to grant a permit to leave the country! No embassy has the right to do so!

There is more, there is more [repeats himself]. If these individuals—with a few exceptions, perhaps those who prepared the plot—go to the U.S. Interests Section to request a visa, they will not get one. If they go to any European embassy to request a visa, they will not get one. However, if a man forces his way in with a machete, breaking windows in the process, he will be declared a refugee, even if he is insane and sick. It is presumed that he will be given a visa to travel to another country because they are the champions of human rights. If a madman breaks into an embassy with a machete, Cuba, as the Yankee spokesman said, is violating human rights.

There is a case history, and this was explained by the very same persons who prepared the plot. The United States signed an immigration agreement with Cuba many years ago, which stated that the United States, according to the country's laws, had the obligation—the United States acquired the obligation—to receive former counterrevolutionary prisoners and their relatives and no less than 20,000 persons per year, meaning those who believed they had the right to immigrate to the United States because they had relatives there, or for other reasons.

What has the United States done? A treacherous thing, treacherous. We were obliged to receive those whom they called excludables from Mariel. A list of persons was made giving their names and surnames. I do not remember the exact number, some 2,000 perhaps. They accepted this program for reuniting families. Therefore, we are not the ones who create obstacles for those who want to immigrate to the United States. They do. They did not fulfill their part of the agreement in a period of approximately three years. I do not remember exactly when the agreement was restored—it was suspended when they began their radio broadcasts.

Instead of giving entry permits to 20,000 people, they issued entry permits to a few hundred people or a few thousand, 2,000 or 3,000 people. No more than that. They decided not to let people leave for the United States because, by not letting them enter the United States, those people would become an element of opposition and unrest inside our country.

There are approximately 700 former counterrevolutionary prisoners who were not allowed to leave for the United States. This caused anger and irritation among them. In fact, I think that a few days ago some of them began a hunger strike. The United States has the same intention it had in the past. It wants these individuals to remain in the country.

On the other hand, however, when someone leaves for the United States on a little raft and enters the United States illegally, regardless of whether the person is someone who previously requested a visa to enter the

United States, that person is welcomed with a flamboyant and sensational reception in the United States. That is the treacherous policy the United States is implementing now. And the United States does not learn its lesson. It does not learn its lesson. That same policy gave rise to serious problems in the past. That policy promoted the Camarioca and the Mariel crises in the past. And we warned the United States more than once. We told them they could not continue with that policy, because they were encouraging illegal departures for the United States while denying legal entry into that country here.

The statements made by the members of that small group and by those who had entered the Czechoslovak Embassy were an indisputable and serious accusation against the United States. That is why the chief of the U.S. Interests Section rushed and called the members of the diplomatic corps accredited in Cuba to attend a meeting. In that meeting, the U.S. Interests Section chief said that the United States is by no means supportive of violent actions. He said that they want peaceful changes in Cuba. He said they had nothing to do with the incidents and that all those statements were a bunch of lies. The truth is that the people involved in the incidents have maintained close links with the U.S. Interests Section. The leaders of those groups are known by the diplomatic circles here. They are widely known by the diplomats here. They are not revolutionaries who slipped into that television program, as some have tried to point out. They are people who were sick and tired of all this and got angry and decided to tell the truth. Those same people said horrible things about Cuba and even congratulated Bush for his accusations against and his pressures on Cuba during the meetings in Geneva when the United States was seeking a condemnatory statement against Cuba. At that time, according to the United States, those people had credibility and were praiseworthy. Now that those very same people decided to tell the truth, the chief of the U.S. Interests Section and the U.S. State Department say that those people are lying, that those statements are an absolute lie, and that they are saints who have nothing to do with these problems.

How can we then explain the statement issued as early as 13 July, applauding events and accusing Cuba of human right violations, thus creating a huge scandal in the world? These are the facts.

High-ranking Spanish officials insulted us, and yet Spain gets infuriated when Cuba answers back. We harbor no animosity against the Spanish people. On the contrary, the Spanish people have our respect and friendship because of their nature, traditions, and struggles. The Spanish people have had to repeatedly face foreign aggression. We respect and like the Spanish people.

Now then, there is something that has no heads or tails. If we were to accept that any of those individuals—who forcefully entered or entered without any right to seek asylum in a European embassy—could leave, the consequences could be highly negative. We have already had that experience in the past.

I remember when, on more than one occasion, they forcefully entered some Latin American embassy. More than once, we agreed that they could have left, listening to their requests and petitions. Immediately and automatically, there were new entries by those types of individuals into the embassies. And it was the same thing. These were individuals who were denied visas to travel legally. However, they were given these visas when they forced their way into the embassies.

On one occasion, when there was one of these violent actions, one guard was killed. We were then forced to suspend posting guards in one of those embassies here in the capital city. That was the Peruvian Embassy. We suspended the guards, and that embassy was filled with lumpens. Everyone remembers that experience.

With what right can Cuba be asked to authorize the departure of those individuals, turning embassies into travel agencies and into dens filled with violent, displaced, and criminal people?

There is a diplomatic corps in our country. I know many of these diplomats. They are serious people, people who think, responsible people. They know that all this is nonsense. How are tens of embassies, residencies, and diplomats' homes going to be guarded? They know that to tolerate this foolishness would be crazy. This is why Cuba's position is that no one who enters an embassy by force will be authorized to leave the country. [applause]

With what right are we insulted? With what right are we threatened? Because we do not authorize these people to leave the country? With what right are economic aggression measures taken against Cuba?

Throughout our history we have seen many examples of what the arrogance of the Spanish authorities can do. We saw this in the past when we were a colony. We had to fight for 30 years against the Spanish soldiers, and when the colonial power was being defeated by its own arrogance and stubbornness to grant our people their rights, they handed us over to the Yankee empire. Now, almost a century later, we, who were occupied by the Yankees, who were a Yankee neocolony, and who have liberated ourselves, almost a century later they are adopting measures that are the same as cooperating with U.S. hostility and the blockade against Cuba.

Hundreds of Cubans shed their blood and gave their lives for Spain while fighting against fascism. The offspring of those who at one time shouted in Madrid: They will not pass! now—because of arrogance or pride, who knows why—have become accomplices of the United States in their hostile, isolating, and aggressive measures against Cuba. They are accomplices of the imperialist attacks against Cuba. Now we are the ones to say here: The imperialists will not pass! [applause and chanting]

Humiliation will not pass. Arrogance will not pass. Prepotency will not pass. There is no power in the world—no matter which one it is, either from the north

or from Europe—that can bring Cuba to its knees or that can humiliate Cuba. [applause and chanting]

The suspended cooperation that the Spanish minister of state for cooperation spoke of was very modest—$2.5 million. In spite of that we appreciated it as a goodwill gesture. But we are a country with honor and dignity. We say today that that cooperation is not suspended but that it is definitely canceled and that we give up those $2.5 million. [applause and chanting]

What is cooperation good for when it is later used as a token to demand political conditions? How is it possible that the Spanish Government does that? How is is possible that this take place at a time when so much song and dance has been made and that festivities are being planned to mark those events that took place almost 500 years ago that lead to the conquest of our land, the slavery and extermination of our population, and the enslaving and exterminating of tens of millions of Africans?

How exactly at the time of commemorating this date, the Spanish Government is capable of taking a measure of economic aggression against a people that so heroically, so courageously, in such a dignified way has known how to confront the most powerful empire on Earth? [applause] This same empire, this same empire, [repeats] that in such a humiliating way made war on Spain at the end of the last century, took away what they had left in the world and humiliated them as much as a nation can humiliate another nation.

It is inconceivable. We have no interest, and I have been careful because I do not want to use adjectives, nor do I want to use insulting words, nor do we need to, because we have very solid reasons and very conclusive. On a day like today we have the sacred duty of explaining to the people the things just as they are, and just as we interpret them. [applause]

This reminds me of what happened with the plane hijackings. It was a weapon invented by the CIA against Cuba. The first planes that were robbed in the world were Cuba's, and they were robbed from Cuba and they went to the United States. This was carried out by counterrevolutionary individuals—CIA agents. And then that spread like a wave throughout the world. It turned into tragedy for all countries.

In the same way, the violation of the norms and regulations of diplomatic immunity, the violation of the treaties, and the violation of traditions threaten to turn life in the diplomatic missions into pandemonium and universal disorder. There are governments that when only three or four rightist newspapers carry out a campaign, they get frightened right away by these campaigns, and adopt irresponsible positions and senseless decisions.

Now you can see everything that a Yankee plot causes and the incidents this leads to. A crazy man enters by force with a machete and what terror he causes! As if it was a machete charge by Antonio Maceo in the last century. Terror, panic, and this man, who should be sent to the hospital if they really had a sense of responsibility and human rights, is turned into the center and focus of an entire international conflict.

We cannot be blamed or assigned any responsibility for this incident or these incidents that have arisen around the Czechoslovak Embassy. And we will continue to uphold our position with full dignity and firmness. It goes without saying—and I repeat—that we have nothing against Spain, nothing against the Spanish people, nothing even against the Spanish Government, but there are things that are a matter of principle for us, and they are unacceptable. I must say that whatever the outcome of this incident, the Spaniards who have rights or interests in Cuba will be respected absolutely, whether or not we have diplomatic relations with Spain. [applause]

As proof that these acts will not go unpunished, yesterday, 25 July, a demonstration of more than 60 Spaniards went to our embassy in Madrid to ask for political asylum in Cuba. [applause] Our charge d'affaires spoke with them. He did not have time for consulations, but he took the correct position, without a doubt. He told them that there is no asylum agreement between Spain and Cuba, and therefore Cuba could not accept asylees. They brought a letter to the Cuban Government. The ambassador received the letter and promised to send it. He sent it yesterday by telex, and I am going to read it to you.

It says: His Excellency Fidel Castro;

The undersigned, in spite of loving Spain deeply, find ourselves forced to request political asylum in your country because of the situation we find ourselves subjected to by the Madrid City Council, which is taking our houses and land away from us through totally unjust and speculative expropriation after we have worked for years to obtain them. And once they are expropriated, they will be awarded to private construction companies to build detached houses.

We would only get 5,000 pesetas per square meter in exchange instead of the more than 200,000 pesetas per square meter that the land is worth in this district. In the past, the Madrid City Council has forced us to pay from our own pockets for sewers, water, electricity, and everything that in the rich districts of Madrid the people find already there. All this was done through great economic sacrifices, since the people who live in this district belong to a lower social class and had lived for years in a slum district without electricity, water, services, or any kind of aid.

Now the municipal representatives have seen a great business deal in acquiring what today is one of the best areas of Madrid, paying a laughable amount in exchange. All this has no explanation that would justify it, other than a municipal policy that favors speculation in urban property, which harms us only because we are poor and illiterate, in the words of the urban development office.

Given these facts, by which we are discriminated against and persecuted, and given that in your country more

than 20 years ago the rich were expropriated to give to the poor—the opposite of what is happening in our country—we find ourselves forced to ask for political asylum, hoping to find in your land the rights and justice that are denied us in ours in spite of the fact that they are recognized by the Constitution and human rights. Awaiting good news from you, sincerely. This is followed by more than 60 signatures.

So, they have asked us to give them political asylum in Madrid. [applause] This letter reminds me of the story of Pelusa. I was a recent law graduate and was defending here some 2,000 Pelusa residents. They were about to be expropriated. Everything was arranged. They were going to give them five pesos. I arrived on time there where .... [changes thought] That was during the Prio government. I arrived on time that morning in Habana Vieja where the Construction Ministry was located. I said: Nobody sign anything. I told the people: We are not signing. The battle began.

We asked that they be given housing. If they did not get housing.... [changes thought] They were going to build in that place. It was good business. They bought the land very cheaply. All those people became very rich when they developed the land because of the increase in price of all the land close by. Pelusa was where the theater is located. It was next to Zapata.

I say this should be something similar. I don't know. I have asked for information about this, and we are looking for information on all this. We want to confirm it. It is said that there are several groups in Madrid with the same problem. This happens every day in all capitalist countries in the same way that fire engines, tear gas, dogs, horses—yes, in the very educated and civilized Europe—are used when laborers protest, when students protest, and when residents protest.

Imagine, with all the problems the capitalist world has, with all the abuses and injustices that are committed every day, if the people who get angry over that begin to enter embassies by force. These did not enter by force. They could not have been more decent. They went there and asked to talk. They handed over their letter and left. Here is the letter.

Well, what are we going to do with those Spaniards? What are we going to answer them? [indistinct response from crowd] You say, let them come. [crowd answers: Yes!] These Spaniards, without realizing it... [applause] these humble Spaniards, without realizing it, have shown the other side of the coin, have shown the other side of the coin of what capitalism is, what the exploiting capitalist world is; inhumane and merciless. These humble Spaniards have honored Cuba with their trust and shows how the true Spanish people are. It shows it. [applause]

The Spanish people who fought against fascism, the Spanish people who fought against Napoleon, the Spanish people who fought seven centuries for their independence. At this time these humble Spanish citizens have shown the face of capitalism.

I believe someone was asked during a news conference if we were not the ones to make this up. They are capable of asking us if we also invented capitalism, the expropriations, the construction companies, and the looting.

We have to comply with the rules and laws. We should not give asylum if there is no asylum agreement. I agree with you. I hope that these Spaniards will continue struggling there for their rights. This is what we hope. We understand that their gesture is part of their battle, of their fight for their rights. They have addressed us. We tell them that we hope that they continue fighting in Spain for their rights, but if they want to visit Cuba we will give them visas and invite them to visit Cuba. [applause]

In this way they will be able to tell us about their problems, and they will tell us about the hardships of capitalism. If they want to live in Cuba, we will grant them permission to live in Cuba. [applause] If they want space to build their houses in any city, whether in the capital or any other city in the country, we will give them the land without charging them a centavo so that they can build their house. [applause] We will give them the construction material and jobs. We will not be able to give them the living conditions that the developed Spain has but there will be respect and there will be dignity. Their children, their relatives will have the best medical attention and education in the world. They will truly feel they are among brothers whether they want to create an urban or rural community. We will give them the land and all the resources so that they get organized and start producing. Everything is guaranteed if they wish so.

No embassy has to be entered by force to get that. One does not need to be a lumpen, and one does not need to be a criminal. In exchange of that, we suggest to Spain and the Spanish Government, and we suggested to the EEC, that in the name of human rights, they would be so kind to receive the type of people who have entered in the embassies and want to live in Europe. [crowd laughs and applauds]

Now we will truly see who takes human rights into account. They are so moved. We are not the ones banning their departure. They're the ones who won't let them enter the embassy unless they enter with a machete. We will have to take the machete back because it might belong to the state and to the people. Of course, we don't include any of the ones who have entered by force—none of them. If they want, we'll come to an agreement—Spain and us, the EC and us. We'll organize a little office or two or three, whatever they want, and we will allow the unrestricted departure of those who want to go to the EC, to progressive Europe. [indistinct chanting and applause]

That is our position and our proposition; it is very clear and very concrete. If the Yankees get all excited and decide they would like to receive these citizens that have

been so harassed, so pursued, then supply the boats and the visas. Gentlemen, act with shame, act with common sense, and act consistently. [applause] Give them permits. We are not the ones; they are the ones—the renowned defenders of human rights, how cruel they are—who do not give those who want to leave a country where there is bad socialism, a bad revolution, and bad communism the opportunity to go live in the heart of the empire, or in the developed countries that colonized or looted the world and created the underdevelopment and hunger that now exists throughout the world. How cruel it is for those who opt for capitalism until they realize that what they do not want is to sweat a single drop or lift a finger. They want to live off the propaganda and the vagrancy. They are really very cruel if they do not accept this proposition.

I have nothing further to add, but, with this, our population and the national and international public are now very familiar with our positions. I have nothing further to add in general, comrades. I think that we have commemorated the 26 July in a glorious manner, in an honorable manner, in a worthy manner. [applause]

Do not be mistaken about us. Those who are mistaken about us will always have to learn what the Cuban people are like.

The only thing I have left to do is congratulate the workers, technicians, scientists, cadres, our enthusiastic, heroic, and happy youth [interrupted by applause], our mass organizations, our glorious Havana City PCC, Comrade Lezcano [Jorge Lezcano, first secretary of the Havana City PCC], the provincial PCC Politburo, Comrade Chavez [Pedro Chavez, president of the Havana City People's Government], the comrade leaders of the people's government, and all the residents of Havana for this well-earned glory, which is the reason our capital is hosting the 37th anniversary ceremony. This 37th anniversary ceremony is being held during one of the most challenging times, during one of the most difficult times, and at a time when there are so many risks and dangers.

This reminds me of the days that preceded the Moncada assault. I remember the Moncada attack as if it were yesterday. This reminds me of the heroism of the Moncada. There were just a handful of us then. Now, there are millions of men and women armed to the teeth and willing to win or die! [applause]

I tell our youth and our present generations that no time has been more worthy than this one. No other time has been more heroic or glorious than this time. No other time has given us such an opportunity to make ourselves greater than this time. That is what this 37th anniversary signifies and those remaining veterans that are here with the same enthusiasm, dignity, and shame of that 26 July 1953 place all our confidence, faith, and hearts in you.

Let's hear it loud and clear, let's hear it loud and clear [repeats himself]: Socialism or death! Fatherland or death! We will win! [applause]

Ortega Warns of 'Potential Risk' of Civil War

PA2607215890 Hamburg DPA in Spanish 2004 GMT 26 Jul 90

[Text] Havana, 26 Jul (DPA)—Former Nicaraguan President Daniel Ortega said in Havana today that there is a "potential risk" of a civil war in Nicaragua, given the recent appearance of extremist right wing paramilitary groups in the cities.

Ortega, who is visiting the Cuban capital to participate in the celebration of the 37th anniversary of the attack on the Moncada Barracks, the prelude of the Cuban revolution, said in a news conference that the Sandinist National Liberation Front (FSLN), currently in the opposition, is trying to isolate those extremist groups to avoid a confrontation of unpredictable consequences.

Moreover, the Sandinist leader said the possibility of a U.S. military intervention has not been ruled out in Cuba or Nicaragua, but he said that Washington "should study this option well because the costs could be immeasurable."

The former Nicaraguan president, who lost the elections held last 25 April [as received] to current President Violeta Chamorro, said the United States has not been able to isolate Cuba from the rest of Latin America, and it will not "be able to end the Cuban revolution, despite the changes taking place in Eastern Europe."

Regarding the possibility of a U.S. military intervention in Nicaragua, Ortega explained that Washington is not satisfied with the defeat of the FSLN in the elections because in the last 10 years of the Sandinist revolution, there have been "irreversible changes" in Nicaragua, which according to the former president, must be accepted by anyone who rules the country.

U.S. Role in Latin America Drug Struggle Viewed

PA2607182690 Havana International Service in Spanish 0000 GMT 26 Jul 90

["Our America" commentary read by Manolo Ortega]

[Text] After two days of discussions in La Paz, Bolivia, representatives of approximately 20 Latin American political parties have rejected any kind of foreign military intervention in the drug struggle. They requested the implementation of plans that will permit drug-producing countries to overcome underdevelopment.

The Permanent Conference of Latin American Political Parties, Copppal, voiced its support for the position adopted by different sectors in Latin America regarding this difficult issue.

The final document issued at the meeting established an interesting position for the defense of the sovereignty of Latin American countries. The document states that drug trafficking, the ecological problem, or the national electoral processes should not be used as a pretext for intervention in the internal affairs of each country.

The members of Copppal reiterated once more what has been said so many times recently. The strategy for alternative development—namely, the implementation of social and economic actions in order to replace the role played by drug production in some countries—represents the basic principle for the structural solution of the problem.

It should be pointed out that the position against the use of foreign troops in the drug struggle hints at the United States, which is the only country with plans and the potential, as reported by the U.S. media, to intervene with troops in Latin American countries. The governments of some countries affected by the drug scourge have enough reasons to think that the drug struggle is a U.S pretext to send its soldiers to these countries. Once the U.S. soldiers are settled in these countries, they will refuse to leave.

The danger that this undesirable presence poses to countries in which drug trafficking is an acute problem has always been debated. The participants in the Copppal meeting stressed that the battle against drug trafficking must be compatible with the exercise of national sovereignty.

At the La Paz meeting, the participants highlighted the struggle against drug trafficking and the urgent need to attend to the economic development of these countries to prevent the coca leaf, for example, from being the mainstay of local economy. According to Copppal, promoting alternate development will allow for the maintenance of the social peace and stability of democratic processes. Politics should be given priority over foreign military resources.

Carlos Rodriguez Receives Julius Nyerere

FL2607133490 Havana Tele Rebelde Network in Spanish 1130 GMT 26 Jul 90

[Text] Carlos Rafael Rodriguez, vice president of the Councils of State and Ministers, has received Julius Nyerere in Havana. Julius Nyerere is president of the ruling party in Tanzania and president of the South Commission.

Jorge Risquet Valdez, member of the Politburo of the Communist Party of Cuba, Foreign Minister Isidoro Malmierca, and a delegation of the diplomatic corps of Third World countries accredited in Havana were also present to welcome Nyerere.

South Commission Secretary General (Muamad Singh) and (Amed Jamal), permanent representative of the South Commission to U.N organizations, arrived on the same flight. All of them will participate in the sessions of the South Commission at the Palace of Conventions on 29 and 30 July.

[Begin recording, in English with passage-by-passage translation into Spanish] [Nyerere] I wanted to be here on 26 July because I know how important this day is for Cuba. That is why I am here.

[Unidentified reporter] Has the date a special meaning for you then?

[Nyerere] It has a special meaning for Cuba, therefore, it has a special meaning for me. [end recording]

Moments before, Rafael Rodriguez received South Commission delegate (Solita Colas Monzon), associate professor of the University of Philippines Economics Department. The South Commission is made up of some 30 identities. Its creation was announced during the 8th summit of the Nonaligned Movement in Zimbabwe four years ago. Their members work on a project designed to mobilize underdeveloped countries around a program to help these countries return to the path of economic growth.

Castro Gives Speech at Agricultural Center

FL2507180090 Havana Tele Rebelde Network in Spanish 1140 GMT 25 Jul 90

[Speech by President Fidel Castro inaugurating the agricultural distribution center in Guanabacoa on 24 July—recorded]

[Text] I didn't know that there was going to be a ceremony here. I just knew that the project was going to be presented quickly. We are planning to visit several areas. Fortunately, we are ahead of schedule, and I think we have time to do this without getting behind schedule.

Nevertheless, I do not want to be a silent witness to this occasion upon which you are reflecting with no less than extraordinary enthusiasm for different reasons. I think that in a simple and almost silent manner, you have performed a feat of labor with this project.

I recall the times I have passed through here when the first group of levelers came here to break ground. The ground breaking was very big because the land was difficult to work with. It was a land that also had some small lakes. I think the spot where we are standing now was a lake. The Blas Roca contingent had to move hundreds of thousands of cubic meters of dirt when they could, because everything came to a standstill when it rained.

Other centers were started first. This was the last one. This project was further behind schedule than the others. I have visited all the sites at one time or another, from the one in Alberro.... [changes thought]—Is it called Alberro? [Unidentified speakers say: "Berroa"] It is Berroa. Alberro is the one that is in Cotorro. The Berroa site had some of the dirt moved when I visited. I visited the sites from Berroa to Valle Grande, which is in La Lisa. That is the site of the highway that goes to San Antonio de los Banos. I also visited the site of the coast-to-coast highway that I believe is in the Boyeros neighborhood. It is within the limits of Boyeros with [words indistinct].

These four centers were situated according to their geographic position and to the origin of their products so that they could be closer to the city. We wanted the warehouses to be closer to the city. They are not warehouses, but rather, they are centers. The description of these centers is lost in calling them agricultural distribution centers. This implies that agricultural products are brought here, but some are already processed. They may come from a cold-storage unit for potatoes, or they may come from a plantain plant. They have already been processed. They may come from a citrus enterprise. The products come here, and then they are weighed and inspected to see where they will be distributed.

A large amount of agricultural products are lost during the transportation phase. So much work is put into planting, cultivating, and harvesting these products, and then they are lost during the transportation and handling period before they reach their destination.

This is a very good concept because it allows the products to be brought here from where they are collected. As I said, if they are already processed, they are weighed and distributed. We do not have to unload them here. However, if a cart with different products comes in from Ciego de Avila or from any other province, they are brought here, separated, classified, and then they go directly to the store. They do not go through any other hands. If products come from peasants from remote areas—sometimes a truck will bring in products from several areas—and they are mixed with other products, they are brought here, separated, and shipped to the produce market.

We are following a policy to take the products directly to a certain location. For example, in Berro, we gave a group of trucks to the cooperative that produces crops there in southern Havana so that they can transport these fresh items at night with the [word indistinct] also put them. That way, these products can arrive fresh.

Citrus also goes directly there. It is processed there. It's a different story if the citrus comes from the interior of the country or elsewhere, but the (?majority) of the citrus comes from an enterprise in Caimito. It comes processed, and it does not have to be unloaded here. The less the products are handled, the better.

They will be inspected here. Those products that are not processed will be processed here and then they will be distributed. This base will have a certain number of small trucks because you cannot take a cart from Ciego de Avila into old Havana. You cannot get a cart or a truck dragging a cart through the city streets. It makes no sense to take it through the city. That is why each one of these bases will have its own fleet of trucks so that they can make direct distributions—in addition to the trucks that they already have for such things as watercress or citrus—yes, whatever they are for. Some trucks will pass through here and will proceed to their destinations. These centers will play a very important role in the distribution of these products, and these centers will pay for themselves in a short time. They will pay for themselves in the amount they will save on products that are now lost and that will now arrive fresher to the population.

These centers were not in our plans a short while ago. They were not in any plan. We agreed on this at an executive meeting of the Council of Ministers where the idea was conceived and where we established the importance of this project. We did not know what name to give these centers because it is not a single market like the one in central Havana. It is a center that concentrates products, and it has kept that name.

There is also a program to complement the number of small plazas and agricultural markets in the city. The projects were implemented in a very short time. The ground breaking began in a very short time with the help of the Blas Roca contingent. We asked that they analyze everything they needed, including the poly-foam that they need for the cold-storage unit. I did not mention that each of these centers will have a small cold-storage unit for those items that have to be kept cold. Otherwise, those products will spoil after 24 or 48 hours. Each center will have a cold-storage unit. These units are not easy to make. You need compressors, special equipment, and special material to conserve the refrigeration. However, we agreed to give each unit a small cold-storage unit to guarantee the quality of the products. All measures were taken. The people's government was given the responsibility of building these centers with the help of the minibrigades, with the help of the municipalities, and with the help of different forces.

From there, as I said at the start, I toured each of these centers at different stages, but it took me a few months to come here. I came here when the first columns were erected. I remember that. I also visited the small cement warehouse we have here. It was built to guarantee that the projects would not be delayed in case the factory came to a standstill or if there was a transportation problem. The first columns were erected then. You truly built this project in record time.

I know how much work this must have been for you. There were many items that came from the prefabricated materials plant, and Havana City right now is not able to manufacture enough pre-fabricated materials for all the projects that are being built. We had to get these items from Pinar del Rio, Villa Clara, Cienfuegos—from everywhere. A lot of coordination was involved. Evidio [not further identified] was telling me how they had to ask truck drivers if they would please bring them a few of these items on their return trips. A large amount of coordination among several provinces was necessary. I know that the principal agony of this type of project at this time is the matter of pre-fabricated items. Many projects are being built, and there are not enough pre-fabricated materials, although we are increasing the amount to respond to all these needs.

In a period of five to six months, you practically finished the largest part of this agricultural distribution center

that is being inaugurated today. It is big. When one enters, he feels like he is entering a stadium. [laughter]

I believe that the most extraordinary thing of all has been the coordinating effort this municipality has shown it is capable of. When I was told that they were going to complete this project by the 26th I thought: How can they finish this by the 26th? I was told: The people from Guanabacoa are extraordinary construction workers. I remembered that when we were building the child care centers, the first child care centers were finished in Guanabacoa. When we were building the polyclinics, the first were finished in Guanabacoa. When we were building the special education schools, the first ones were finished in Guanabacoa. A great spirit of cooperation has been created in Guanabacoa. A great organization has been created.

This is not easy. What you have done is not easy. This also shows—I have said this before—that Guanabacoa has a special spirit and that its people always receive the tasks with great enthusiasm. One does not know if Guanabacoa is part of the capital or if it is a place of its own. [laughter] One does not know if it is part of the capital or if it is a place of its own. [repeats] I am not going to talk badly of the rest of the municipalities, which have made great efforts and great feats also.

Construction work is going on in the entire city. Some municipalities are bigger than others. Some, such as this one, are more structured. Others overlap with one another in the middle of the city. They have different situations. Some have more factories and more workers than others.

One has to note that Guanabacoa is a municipality with a lot of laborers. It has many factories. It also has many workers who come from other places in the city. We saw this when the minibrigade movement resurfaced. One of the municipalities that recruited more minibrigade members, that boosted the movement more quickly, was Guanabacoa. This is why I say that the effort you have made is worthy of admiration. It is impressive. This shows—as Evidio was saying—that everything is possible, that when the people take things upon themselves, when the masses take things upon themselves, there are no obstacles. You have truly done something nobody would have believed. You are men and women who are not construction specialists—although some may have had some experience—and have learned here how to lay blocks and bricks, to carry out the various tasks a construction project such as this one needs.

I believe this is a magnificent and encouraging example. I believe this is a worthy homage paid to the 37th anniversary of 26 July. [applause] This is possible, this is possible [repeats] because the people are working solely for the benefit of their own interests. They are working for their own welfare to solve problems. How many problems have you not solved with the child care centers or with polyclinics? How many people go there every day to get excellent health services or dental care? How many people have benefited from the schools? How many people do not get the chance to attend one of those special education schools such as the one you have? I have visited it more than once. It is for children who have vision problems.

Who benefits from the apartments you are building? From the farmers markets? From each one of the things that are built? Who benefits from each factory? Any type of factory whether it is an iron works or construction material factory. They are going to be used to build houses, repair, or expand houses.

Everything is possible when the people work for their own benefit. Only in socialism do the people work for their own benefit. In other social systems, the people work for slavery supporters, for owners, or capitalists. Here the people work for their own economy. The people work to benefit themselves no matter what they do anywhere; whether it is a maternity hospital, a clinical-surgical hospital, or a family doctor's office.

I believe that Guanabacoa has almost all of its planned family doctor's offices. I don't know how many .... [unidentified speaker says: It has all of them.] The city has all of the planned family doctor's offices. Of course, how could the population not have a five-point-something infant mortality rate? How could they not have a long life expectancy if they have a doctor there on the block? No millionaire anywhere has this. Your doctor is 50, 100, 150 meters away from you night and day.

This helps to explain your capability of doing feats and miracles, because this project was built with your sweat and effort in such a short period of time. We will have to continue working now. I don't know how they will do it, but they also expect to finish building the cold-storage house in some two more months. Equipment and tables will have to be installed in this center. I imagine that a number of resources will have to be in place here to be able to carry out the work.

I believe that the next crops—after October or November—the next crops of vegetables, potatoes, and others, will go through here [applause], and you will always remember this project. Every day, each time you go to a farmers market, you will see the benefits the efforts you have made here will bring to hundreds of thousands of people.

You have been able to do this and have been able to fulfill the factories' plans, the factories that were not affected by the absence of some raw materials that the country could not get. Surely, you have some people in the countryside participating in the cleaning of those hundreds of caballerias that were in danger of going bad.

Guanabacoa is a lot of things, but this shows how much the people can do. It shows the people's power, what the people's patriotism can do, and the revolutionary spirit and awareness of the people. Especially, what the revolutionary spirit and awareness of the workers and residents of Guanabacoa can do. [applause]

I congratulate you with the warmth you deserve. With emotion I say as you say: Socialism or death! Fatherland or death! We will win! [crowd joins in saying: We will win!] [applause] [crowd chants: Fidel! Fidel!]

Castro on Manufacturing of Road Repair Equipment

FL2507140090 Havana Tele Rebelde Network in Spanish 1159 GMT 24 Jul 90

[Remarks by President Fidel Castro Ruz, first secretary of the Communist Party of Cuba, on the occasion of the inspection of road repair equipment in Havana; date not given—recorded]

[Text] It is important to think about this machinery. We are all doing what is necessary at this time. Here we can see all this equipment, the progress we have made and the possibilities for the country to fulfill its needs. This equipment was not manufactured at steel and iron mills. It was assembled at the Ministry of Construction [Mincon] shops. This comrade said one by one. Where did they fix the trucks? I think at Andres Lujan shops, right?

I think the compressor was manufactured in Cienfuegos and the minicompactor in a factory nearby, in Havana. [Workers answer Castro's remarks]. In the (Unitec)? It is a shop, no? Well, we call it a factory. Where was the dump truck made? In the same place where the minicompactor was made? Yes, correct. The electric plant? In Matanzas. Each one did his part here. That converter was built in Pinar del Rio, no? It is called a recycler? The tractor-loader was build in Holguin, right? With help from people from Cienfuegos? No? The concrete pumps were built.... where? In the Leonildo Sierra in Havana. Finally, was the crane manufactured here? [answer not heard].

In barely a few months, we can say a few weeks, a decision was made to manufacture these trucks needed to fix our roads. That was not explained here. What is a truck for pavement repair? [words indistinct]. The most important things in the transport sector, buses, trucks, cars, etc. depend on road conditions. You spend a lot more in spare parts, tires, and breakdowns when the road is in a bad condition. You waste more time. It is something very important.

The comrades of the Minfar [Ministry of the Revolutionary Armed Forces] made the proposal. They were looking for ways to repair potholes in range roads. The idea for this type of truck was in answer to that need. Then—and because of the good results—we had the idea of using these trucks to fix the streets as well. Why not? In order to repair streets you need a compressor, a roller, an asphalt mixer, and I do not know how much more equipment. And how many people are needed for the job? This solution that was used in the hills is very practical. A truck carries the mixture, the compressor fixed to the bed, a minicompactor, and a vibrator. It does not need to be too large because vibrations multiply the compacting capacity.

We studied the possibility of using this equipment here in the city due to the savings in time, resources, and manpower—because often they use a large compactor, one of those used to fix highways—to fix the streets. In other cases they use very good compactors such as the (Fomaques). Chavez, [not further identified] how many of those compactors do we have in Havana? [Chavez answers: "We have two provincial brigades."] How many rollers do they handle? [Chavez answers: "They have four rollers."] Is that all? Four rollers each? [Chavez answers: "Yes."] It is a pity we cannot borrow a few from you to build embankments.... because they are so good. Well, this is just a joke.

I mean that one roller like the one we have there compacting is used here to fix the streets. They are fast. But just think of their capacity when we use them in earthwork together with pneumatic compactors. These embankments are roads built into the sea. Here you can understand the need for compacting. Now, we have the same equipment here compacting and fixing potholes in city streets.

Well, I have to look each way because guests are here and workers there.

Potholes can now be fixed with that minicompactor. It would be a good thing if we could estimate the impact the work of these 120 comrades is going to have in terms of savings. Since you have a reserve of equipment you will not need the entire crew. I hope that you are given good attention and that you are paid in line with the service you are going to give the city, according to the hours you work. We have asked for workers to carry out multiple tasks to save forces. The city has problems with its labor force, and even greater problems with this kind of work. The city needs highly-trained, dedicated, and disciplined personnel. I believe they can do a lot.

Therefore, this means that from now on the city.... [changes thought] They will begin to be used in the next few weeks. I think it is going to take a few days. Two of these vehicles are being used as a pilot. The city will have 30 trucks to fix potholes. This is something that it did not use to have. Nobody knows the number of potholes that can be repaired with this equipment and how it can help the capital's transportation.

We were talking with some comrades yesterday and they explained that some of these vehicles could cover up to 50 meters despite the fact that they had to go to the plant twice. They made two trips per day. These are the ones that are at the pilot plant. The comrades are thinking about other possible future solutions. They are deciding if it is convenient to take the mix to them or have some places close by to pick up the mix so that they do not have to make a long trip. Some said some trucks had to make the round trip to get the mix anyway. Others suggested that perhaps the compactors could go first and used for that exclusively.

In sum, they are analyzing possible new formulas to find the maximum productivity for these trucks. In other

words, it is a new idea, a totally new idea regarding the way to face the pothole problem. As you can see we have used two types of trucks, the Kama and Kras truck. You may ask yourselves why there are 10 Kras and 20 Kama trucks. The reality is that the first ones that were built were built in Kras. I asked if the Kama could be used because we did not have many trucks of this type, Kras 2-50. However, we had more of these Kama trucks. We have a good opinion of the Kama trucks. The workers who are building causeways have a good opinion of the Kama trucks. There they use the Kama and Kras dump trucks with reinforced beds, of course. The beds need to be reinforced in the Kras and Kama dump trucks because they can have problems carrying rocks. They do not have to go up hills but have to carry heavy loads. They have to carry large rocks to build those causeways.

We then decided to give 10 Kama trucks, which is what we had available. [sentence as heard] Now the comrades think that the Kama truck is going to be more useful for smaller and narrower streets. They are going to send the Kras to the surrounding areas and are going to leave the Kamas for the other municipalities in the center of the city.

They are going to use one truck per municipality. This is what the People's Government has proposed. With the exception of two municipalities—Boyeros and Diez de Octubre—which are going to have two trucks. They are going to have nine trucks for the main bus routes. This is another criteria. Four trucks are going to be left as backup.

We approve this. Equipment is going to be distributed when maintenance is needed at a given time or if support or reinforcement is needed.

As you can see, we have been using Soviet trucks to make this equipment. We did not have to spend convertible currency. The trucks and beds had to be adapted. We did have to spend convertible currency with this equipment. I am referring to the compactors. We cannot make all the parts for compactors here yet. We also had to spend an amount in convertible currency with the vibrating roller. We have saved over half of the value in convertible currency with that equipment. I want you to know that if we were to buy that equipment it would be very expensive. That miniroller is expensive. The compactors are also expensive.

We have saved a lot of money thanks to the efforts made by the workers who have produced this equipment with minimum imports. As you saw, over 50 percent of the parts are produced domestically. Over 50 percent. In other words, if a piece of equipment costs $12,000 it has costs us less than $6,000. The matter is to produce it here. We have bought 20 with what would have bought 10. Of course, we had to compare it to how much the equipment costs abroad, how much the equipment costs abroad. [repeats]

If you were going to look for any of those pieces of equipment on the market you would have to spend over twice as much as what it cost us in convertible currency. We understand that they are of good quality.

We have for example the dump trucks. They used to be imported. We now make dump trucks for less than half the money. I believe it was mentioned that some 250 have been made. All of them are being used here. Some of them were going to be reexported. There was some sort of agreement with our associates who supply us the components. There was such a need in the country that we decided to leave it here, we decided to keep it. We decided not to reexport.

There are many plans which require a labor force, especially the large tourism projects. There is not enough personnel. Homero [Crabb, construction minister], the work of how many will be done by one of these pieces of equipment? [Crabb answers: Well, almost 20, 25, or 30 men] Yes, no one knows how much a dump truck such as these saves in a project. You know this. You have seen construction workers carrying material with a wheelbarrow. What does 200 pieces of this equipment save? At least 4,000 men. There are many places in which there is a shortage of personnel, of labor force. These are very useful pieces of equipment.

Who knows how much that pump is worth. If we were going to buy it it would cost over $80,000. They are very sophisticated engines and equipment. We have built these stationary pumps spending some $40,000. We have made some of them with booms and cranes. Of course, those are much more expensive. Two are being completed. We have built several. We reached agreements with some factory representatives at an equipment fair in Havana.

Those pumps save a lot. You don't know the number of men that they save, the equipment they save. They can lift concrete 60 meters high and can move it as far as 300 meters. They can lift 50 cubic meters per hour. You know how much those pieces of equipment mean in terms of increase of work productivity. If we do not build them they would cost us twice as much.

A nation progresses by manufacturing equipment, by producing machinery. That is how people learn about this industry. We will participate in equipment manufacturing in increasingly larger percentages. Each time we will participate with a larger percentage. Today we use imported engines. In the electric plant we used mainly Soviet engines. In the future we will use our own engines in accordance with the development of our industry. The percentage that we have to import will, therefore, decrease. This is the way to develop an industry. That frontal dump truck was built over a Soviet truck. The SIME [Steelworking Industry] is also working on a 0.8 cubic meter frontal shovel. You cannot imagine how much we need that equipment. The other one, the one we built here on a smaller tractor has a capacity of 0.25 cubic meters.... [changes thought] Better than 0.5

cubic meters. The backhoe has a 0.25 cubic meter capacity. They are not enough but they are useful for many things.

We have one of 0.5 cubic meter capacity and one of 2.0—the imported one, the big one. We have already begun to manufacture them here. But there are many works that require a shovel of 1.0 or 0.8. It is a crime to use a $60,000 front-loader for that kind of work when it is better used in dam or highway construction to move large volumes of fill. This is why we need those shovels so much. We have just asked the SIME to build 60 smaller units. They have already begun the production of the first 10 units. We want them for use by the irrigation brigades so they can dig channels and do what is necessary to irrigate 100 caballerias a year. We have already organized 20 brigades for that purpose this year. We are planning to organize at least another 20.

We have asked the SIME to build 60 pieces of equipment. Sometimes we use Soviet equipment instead—the TO-18, for instance— but we have very few of them, not enough of them. That is why we had to build the shovels on Soviet tractors. They are very useful. This afternoon we have seen parts of what we can call a national fair of construction equipment of the Construction Ministry. We are happy. You should try to make your own equipment too, no matter if the SIME is manufacturing something similar.

We also have concrete mixers. I do not know if you can make concrete mixers. The SIME makes concrete mixers and the microbrigades have a factory for construction equipment. We will advise you to choose one or the other whenever possible because many times an organization cannot solve a problem by itself. The Havana City microbrigade has a successful industry. They manufacture concrete mixers, cranes—they have already manufactured hundreds of cranes—besides other equipment and tools. They do not manufacture too many dump trucks but they manufacture wheelbarrows. We have to work with everything, dump trucks, wheelbarrows, buckets, shovels, with all we have. But it is important progress.

This is how we have to work, even more so during these times. Of course, we did not use to have as many technicians, engineers, and planners as we do now. Thanks to them we can now see all this and, in addition, see it in a short period of time. Work has been done quickly. As you heard here, the comrades from a factory, I believe from Cienfuegos, were left with the pain of not being able to bring their bulldozer here. [someone corrects Castro and says: Villa Clara] I mean the comrades from Villa Clara.

They say that if they can they will finish a drag within the next few hours. They are very sad because they were not able to be present. We congratulate them anyway. They say they have made almost all of the parts for one type of bulldozer. I imagine that they used someone else's experience but that they also used their own imagination. They used a Soviet tractor with a 140-horse power engine.

We are making larger engines for the front loader, the one for the vibrating roller we are building at the Metallurgical Research Center [CIME]. They are using 220- or 240-horse power Taino engines. They are making progress in the engine building plant. They have already completed the engine block foundry plant. They are also making good progress. They have created a good engine with the cooperation of some foreign specialists. We are going to have engines for trucks, buses, loaders, and possibly for power plants, bulldozers, and front loaders—the ones built in the production lines in Guira de Melena —for hydraulic irrigation pumps. We are going to need those engines for irrigation machines. We are going to need those engines for Fregat irrigation systems, the ones that are circular.

So, we have made progress in engines. Perhaps the comrades from Villa Clara can one day build that tractor with engines of 140 or 160 horse power. A little more power would be better for that bulldozer.

We asked the CIME to submit each piece of equipment they build to a steel-stress test and test them many times to determine their quality. You have to be very careful in the steel-working industry. You cannot even change one type of screw for another one. I remember that some machines were produced and later lost their reputation for quality. This steel-stress rule was implemented some time ago. The equipment has to be of high quality. The equipment has to stand any test.

This is how our Taino front loaders are. They have turned out to be of very good quality. Nevertheless, there were some problems. There were delays in the supply of some screws and others were used instead. Problems began in much of that equipment. All the lots have to be done the same. When a new component is produced domestically it has to be tested every time it is modified. It has to be tested one, two, three times. If a new front end is produced the equipment needs to be tested with this front end produced domestically. If the back end is added, the equipment has to be tested with the two ends. They have to be tested under difficult conditions.

We test construction equipment here at the Blas Roca Calderio Contingent. We tested the loader and the vibrating roller. We are testing the first bulldozers that were produced in Guira. They go through a difficult test working 13 and 14 hours every day. We also test some pieces of foreign equipment that are recommended to us such as diggers, cranes, and bulldozers. We submit the equipment we make to difficult tests. The idea is not to make any type of equipment to replace imports but to truly produce quality equipment.

I need to say that those compactors are going to be part of another Havana City program, the program to solve the drainage problem. This is one of the other big

headaches. When we were studying the pothole problem it was discovered that many potholes were caused by drainage. A large amount of water is lost through the drains. In some municipalities this water loss is enormous. We agreed on an idea and a system to prevent the drainage problem by zones. We are going to create 65 drainage brigades, one per zone. I believe there are 65 zones. I believe there will be nothing left as a reserve.

They will have a compactor, two hammers—it is not a 10 meter compactor. Another thing is that an enormous 10-meter compactor is often used to solve a drainage problem. The appropriate compactor for that is the five-meter compactor. As the comrade was explaining, this results in five cubic meters per minute. I imagine we are talking about air. [Unidentified speaker says: Air] Nobody knows how useful those compactors are. There are going to be 65 drainage brigades. The municipalities did not have those resources. Each brigade is going to have two vehicles to pull the compactor, to transport the personnel, and for other things. We are talking about other components. Some want the brigades to have one of those small 05-meter shovels. They were asking for them at the zone level. I am defending the view that this may be an excess. We should have begun to conduct tests weeks ago. [Unidentified speaker says: We begin tomorrow] We begin tomorrow to see what is really needed so that no equipment is underutilized. It is not easy to find 65 of those loaders. Those loaders are built by the steel-working industry. We use them in many tasks, especially in the plot drainage brigades and in the irrigation brigades as well. This equipment is smaller and we do not have to use large diggers in small projects.

We are discussing whether this equipment is going to be assigned per municipality. We could not assign 65 small cranes or front-shovels on trucks to each one of the brigades this year. Perhaps it might be possible to give one per municipality and two to some municipalities. Therefore, this is another concept, another system that is going to be implemented to solve another one of the city's great headaches—the drains. They are one of the great sources of the waste of water and resources.

I believe that we all, not only the workers.... [changes thought] I don't know to what degree they know about the overall idea that needs to be carried out since they are from various factories. I believe this also helps reporters and guests to understand the objectives these pothole repair vehicles have, how useful they are, the number of men that are saved, the productivity level they can reach. I also believe they will be happy to hear the idea that the drainage system is going to be worked on once and for all. These are the ones people have complained about so much.

If this is not well organized and is not worked on systematically, they become clogged and enormous amounts of water are wasted. These are the two main programs that were designed. How many months ago, Chavez? This is July. [Chavez answers: That was in January] In January? February, March, April, June, July. These programs were adopted only six months ago. The equipment has been built during this period of time. We asked the Micons to help us by building them in their plants. Of course, they have taken advantage of the presentation of the equipment to bring many more things. They are also delivering the last 25 dump trucks. Other programs will have to be created. They exhibited other things. They are completing four stations. One of them may be sent to the swimming pools being built for the Pan-American Games, another one to Antillana de Acero steel plant. We will have six as backup. We will have to complete the top priority projects and, above all, the ones of greatest possible economic importance. In addition to the six that will remain—we have four now plus these four there will be eight and two that are going to be handed over, six; and one or two of these with derricks—we will have eight for projects of great strategic importance.

They already delivered two to the Cohiba Hotel. You see how the Cohiba Hotel is progressing. I believe progress will be faster from now on. I believe that the day the carnivals began the Cohiba Hotel construction workers were there. They did not let themselves be tempted by the music or wishes to take a stroll. I believe they worked until 0600. They met at 0600 because I went around there the following day. They met with the almost 400 members of the Blas Roca Contingent who began to work at that time. I believe that was on a Saturday. [Unidentified speaker says: "Sunday, Sunday before dawn."] On Sunday. Yes, Sunday before dawn.

So, you can see it there. In construction we have to aim at achieving higher productivity. There are so many things that we have to do and so many things we are doing that the men we have would not be enough, at least under normal conditions. If circumstances continue to get more complicated, then it would be a different story. We will always be interested in productivity. If you are building hotels on a key, the fewer men there the better. It is better for them to be more productive under any circumstances. So, these machines will always be extremely useful.

This is why comrades, as we are approaching the 37th anniversary [of the Moncada Barracks attack] as it was said here, I congratulate you, I congratulate the technicians, the builders of this equipment, and the men who are going to be in charge of this equipment. Socialism or death, fatherland or death, we will win! [crowd joins is saying: We will win!] [applause]

Inter-Caribbean Affairs

Charles Favors Concrete Action on Regional Unity

FL2607192190 Bridgetown CANA in English 1650 GMT 26 Jul 90

[Text] Roseau, Dominica, July 26, CANA—Dominica's Prime Minister Eugenia Charles says she expects efforts aimed at deepening the regional integration movement

to feature highly during the fortcoming Caribbean Community (Caricom) summit in Jamaica.

"...A lot of dicussions will be on the integration of Caricom countries, and I think that this is far more important for us to settle before we then talk of the enlargement of Caricom," Charles, the chairman of the sub-regional Organisation of Eastern Caribbean States (OECS), told CANA [Caribbean News Agency].

Charles said she agreed with St. Lucia's Prime Minister John Compton that "high sounding communiques" should be swept aside in favour of more concrete action on Caribbean unity. She also felt decisions taken at the summit should be implemented within a six month period.

Charles has already indicated that she favours implementation of the Common External Tariff (CET), despite objections from OECS partner Antigua and Barbuda. Manufacturers in the OECS countries including Dominica have been expressing strong reservations about the tariff, which they fear can adversely affect the sub-region's fledgling industries. Caricom leaders will meet from July 31 to August 2 in Kingston.

Trial Banana Shipments Begin to GDR, USSR

FL2507175890 Bridgetown CANA in English 1717 GMT 27 Jul 90

[Text] Castries, St. Lucia, July 25, CANA—The Windward Islands Banana Association (Winban) has made a breakthrough in its search for new markets with trial shipments to East Germany and the Soviet Union. Winban, in a statement, said 650 tonnes of bananas were exported to East Germany last week, followed this week by 1,500 tonnes to the Soviet Union.

The price for the two shipments will be lower than that paid by Britain, the traditional market for Windward bananas.

Winban officials, nevertheless, were optimistic about prospects in the two markets, saying the move provided expanded market opportunities for growers in the St. Lucia, Grenada, St. Vincent, and Dominica, the four Winban islands.

The Windward Islands have also been exporting bananas to Italy.

Barbados

Opposition Criticizes Tight Monetary Policy

FL2607204590 Bridgetown CANA in English 1714 GMT 26 Jul 90

[Text] Bridgetown, Barbados, July 26, CANA—Barbados' two main opposition parties reacted to the news of a slump in the economy with statements blaming the government's fiscal and tight monetary policy for pushing the island into a recession. The Central Bank on Tuesday reported a two per cent drop in output for the first half of the year compared with the same period in 1989, amid declines by the key foreign exchange-earning tourism and manufacturing sectors and a ten-fold increase in the fiscal deficit.

"The present picture is a classic one which leads a country into an International Monetary Fund standby arrangement...," said Dr. Richie Haynes, leader of the official opposition National Democratic Party (NDP). Under such an arrangement, the IMF extends credit to a country experiencing balance of payments problems on the understanding that it will pursue an adjustment programme designed to reestablish a viable balance of payments.

"The long overdue statement by the governor of the Central Bank has come as confirmation ... that the economy is caught in the grips of a recession," said Henry Forde, leader of the Barbados Labour Party, the minority opposition in parliament.

Current Central Bank forecasts point to the economy registering no real growth this year, compared with 3.2 per cent in 1989. Haynes blamed the government's deteriorating fiscal position on "squandermania" and "overtaxation".

Government revenues were estimated to have fallen during the 1990 first half by 42.1 million dollars. Over the same period, current spending rose by 26.8 million dollars and there was a 30 million increase in capital expenditure. The deficit was financed largely by commercial bank credit, which was up by 77 million dollars.

Forde said a nine-month-old credit squeeze imposed to protect the balance of payments by dampening demand for imports, combined with high taxation, had undermined the productive sectors of the economy to the point where government revenue was in decline. Suggesting that government enjoyed a virtual monopoly on credit over the past six months, Forde called for the urgent introduction of a new credit policy that would free up funding for tourism, manufacturing, home construction, and the retail sector.

Haynes also said the tight monetary policy had effected "significant damage" to the economy.

Haiti

4 March Protocol Agreement Published 23 July

FL2607154790 Port-au-Prince Radio Nationale in Creole 1300 GMT 25 Jul 90

[Text] The government of Mrs. Ertha Pascal Trouillot published the 4 March 1990 protocol agreement on Monday, as the State Council had requested. For a time there was a great deal of misunderstanding between the State Council and Mrs. Trouillot's government over this protocol agreement, the basis for the current form of

government in Haiti. The government had refused to publish the agreement in the nation's official gazette LE MONITEUR.

The State Council had even exercised the right to veto against the executive, a power it was granted in this protocol agreement. The State Council, which had suspended all dialogue with the executive, had set forth as a condition for the resumption of activities the publication of this protocol agreement.

The protocol agreement was published Monday in the nation's official gazette LE MONITEUR.

State Council Issues Communique 24 July

FL2607160890 Port-au-Prince Radio Soleil Network in Creole 1830 GMT 25 Jul 90

[Text] The State Council declares that, within the framework of the democratic mandate the Haitian people entrusted to it, it has placed on the table, for negotiations with the executive branch of the government, dossiers on justice, security, cleanup within government administrations, and the lowering of the cost of living. The executive branch has just recognized the 4 March 1990 protocol agreement as the institutional foundation of the provisional government, the basis for all the government's attributions and for all relations between the executive and the Council of State.

According to the State Council, the executive acknowledged all these things when it published the full text of the protocol agreement on 23 July in the government's official gazette. By so doing, the executive complied with one of the conditions the State Council had demanded in order for the Council to resume negotiations.

In a communique dated 24 July, the State Council explained that the protocol agreement from the 4 March 1990 alternative is the foundation for the provisional government. The conflict within the government stemmed from the executive's lack of respect for this protocol—according to the State Council, which sees in the publication of this protocol in LE MONITEUR, a bit of respect and recognition for the Council on the part of the executive. Therefore, the State Council declares it is willing to seek, with all its power, within the framework of its duties, to satisfy popular demands. It has placed all these demands on the table for negotiation with the executive which has now opened a door for the resumption of negotiations.

The matters broached in these demands are so important, according to the State Council, that only the application of proper, appropriate, measures can create the political conditions indispensable for the holding of credible, democratic elections in Haiti. Thus says the State Council communique.

CEP Says Electoral Activity Could Be Halted

FL2607165990 Port-au-Prince Radio Soleil Network in Creole 1830 GMT 25 Jul 90

[Text] The Provisional Electoral Council [CEP] is not discarding the possibility of stopping all electoral activity if the population's demand for justice and security is not satisfied. During the negotiations at UN headquarters in New York, the CEP representative informed us that he had stressed the need for a mission to come verify the elections. The members [not further identified] supported the provisional government's request for technical assistance to help the committee formed by the Haitian Armed Forces to coordinate and provide security for the elections, as well as for a mission [words indistinct].

After many other considerations regarding the United Nation's beating around the bush [vire-toune] about Haiti's requests, the CEP submits its position to the nation:

1. At this stage of negotiations between the Haitian Government and the international community, the CEP regrets that the committee did not immediately seize the opportunity to help Haiti correct the faults that exist in the political structures, especially since there is a cold war going on that engenders true insecurity.

2. The CEP hopes that these obstacles, the extent of which it realizes, will disappear quickly with the help of the UN secretary general.

3. The CEP recommends to the Haitian people that they continue along their way all by themselves and move on toward elections even if the international community says nothing serious. Besides, this is not the first time they [not further identified] will have done this.

4. Nevertheless, since the entire assembly has seen that solving the insecurity problem is too much for the political skill of the current government, the CEP announces that it is ready to stop all electoral activities should the authorities fail to satisfy the Haitian people, who are asking for justice and security before elections; should the civic education campaign not suffice to help the voters understand the [words indistinct] the authorities are supposed to appoint; or should the number of registered voters be too low to provide Haiti with a government for a new regime.

The way things stand at present, CEP members should seek, along with the rest of the nation, a new option so that there can be an end to the transition.

Artibonite Group Says UN Military Force Needed

FL2607174590 Port-au-Prince Radio Soleil Network in Creole 1830 GMT 25 Jul 90

[Report by Milceus Gaspard]

[Excerpts] In the Artibonite Valley, the Coordinating Body of Democratic Organizations of Petite Riviere de

l'Artibonite, Kodet, has come out in favor of the presence of UN military observers during the elections. [passage omitted]

[Gaspard] Kodet says in a press release: We said we were in favor of UN soldiers coming to provide security for the 4 November elections because the Haitian Army donned the uniforms of assassins to kill peaceful citizens, in a river of blood, on 29 November [1987]. Here is Mereus Dorlisme with an explanation.

[Begin Dorlisme recording] Kodet's position is not a matter of either liking or disliking the idea. It is a matter of the Haitian people today being in danger, despite the fact that they are in their own country. [passage omitted]

We think the Haitian people really cannot count on this Army to provide security. Despite the fact that we see this as shameful, we are obliged to say so. Because you really cannot count on that Army to provide security, for they are accomplices to the return to Haiti of Williams Regala and Roger Lafontant, men who have returned to Haiti to drink the Haitian people's blood.

Therefore, it is not a matter of liking or disliking the idea of a multi-national force's—a UN force, if you like—coming to provide security in Haiti. It is a matter of humanitarianism. [passage omitted]

We are not against an intervention to provide security for the Haitian people—a UN intervention, militarily, to assure security during the elections. We are not against it. We do say, however, that it constitutes a shame for the nation, and particularly for the Haitian Army, which is responsible for protecting the lives and property of people in Haiti. [end recording] [passage omitted]

Jimmy Carter's Arrival on 25 July Noted

FL2607163290 Port-au-Prince Radio Soleil Network in Creole 1830 GMT 25 Jul 89

[Excerpts] [First announcer] There is no democracy without the laws being applied, and elections are not possible in Haiti if the laws are not properly applied. Thus said former U.S. President Jimmy Carter, who arrived in Port-au-Prince on the morning of 25 July as scheduled, to discuss with the pertinent Haitian authorities the preparation of the elections. [passage omitted]

Carter said he was sorry it had not been possible for elections to be held in 1987, and that he hoped this time the Haitian people would get the chance to vote freely and the result of the elections would represent the will of the people.

Carter applauded the support the Haitian Army says it is going to give the provisional president. However, this support must leave the realm of mere words and be translated into acts that people can see with their own two eyes, said the former president. [passage omitted]

Regarding the military aid the Haitian Government has asked the United Nations for, Carter said that should the United Nations refuse the Haitian Government's request, they will have to find another alternative. This is precisely what he has come to discuss with Mrs. Trouillot, the Haitian Army, the State Council, political and religious leaders, and businessmen in Haiti. [passage omitted]

This delegation that arrived today in Port-au-Prince is here to conduct an investigation to prevent another 29 November [massacre]. [passage omitted] Finally, we point out that the demonstration against the presence of Jimmy Carter in Haiti [as heard], called for by the Confederation for Democratic Unity, KID—which had asked people to gather in front of the airport—did not take place. Activity was normal in front of the airport. [passage omitted]

[Second announcer] It seems there was something else that did not happen. The Assembly for Concerted Action [AC] had called on all able patriots to go out to the airport on 25 July as of 1000 to show Carter they are not in favor of the macoute policy of Ertha Pascal Trouillot, who does not want to create proper conditions for holding elections in Haiti. [passage omitted]

Jamaica

IMF Negotiations To Continue, Waiver Sought

FL2607185190 Bridgetown CANA in English 1636 GMT 26 Jul 90

[Text] Kingston, Jamaica, July 25, CANA—A team from the International Monetary Fund (IMF) is expected here on Friday to continue negotiations started earlier this month by the Jamaican Government for a waiver in respect of its latest agreement with the IMF, Finance Minister Seymour Mullings said. Mullings was speaking to reporters on the current status of negotiations with the IMF after signing a loan agreement for 25 million Deutsch marks from West Germany. He dismissed a newspaper report on Wednesday that a waiver was unlikely.

Jamaica failed the March performance test set by the IMF and discussions have been taking place between the Fund and Jamaican officials on a waiver. The country failed to meet the critical net international reserves test by U.S. 7 million dollars and the net domestic assets tests for the March quarter. The failure of the March test means that Jamaica has not been able to draw down on funds under the U.S. 108 million dollar agreement signed with the IMF in January. The country so far has received only U.S. 18 million dollars under the agreement which expires in March 1991.

The West Germany loan was one of two bilateral loans which should have been disbursed to the bank of Jamaica by May 20 as stipulated by the Fund agreement.

The late arrival of these funds is one of the main sore points between the Fund and Jamaica. Jamaica, the finance minister maintained, had carried out all the policies agreed to with the Fund. He said he expected the Fund to understand why the committed loans were late and to grant the waiver. The disbursement of the Funds were due to a delay in the procedures in the countries involved. Last week a report by the negotiating team was submitted to cabinet.

According to Mullings, Jamaica will decide on its posture following the next meeting of the Fund board in two weeks time at which a decision on Jamaica's application for a waiver is expected to be taken.

1990 Salinas-Gorbachev Meeting Postponed

PA2707045990 Mexico City NOTIMEX in Spanish 0338 GMT 27 Jul 90

[Text] Mexico City, 26 Jul (NOTIMEX)—This year's meeting between the Mexican and USSR presidents has been postponed due to Mikhail Gorbachev's heavy agenda, Soviet Ambassador to Mexico Oleg Darunsenkov reported today.

"There is no tentative date for the meeting in 1991, even though both presidents are interested in meeting," the ambassador said at the end of the ceremony to present the book, "Mexico and Russia in the First Half of the 19th Century."

Meanwhile, he said that there is no USSR investment plan in Mexico, and the possibilities of it are reduced in light of Gorbachev's statement temporarily suspending economic assistance to the Third World.

When questioned by NOTIMEX, he said that the great world changes have led to economic difficulties, and this restricts the action of the USSR in the international field.

However, he also said that the plans for establishing joint investment programs are still being studied by the two countries, although they represent a lengthy process.

He said that the main obstacle hindering the achievement of this goal is the lack of information on the characteristics of Mexican capital, and the implementation of this project will depend on how advisable it is for the Soviets.

The aforementioned book was published by the Mexican Foreign Secretariat to celebrate the first centennial of the establishment of relations between Mexico and the USSR.

The work, which is a compilation of documents prepared by Martha Ortega and Alexandr Sisionenko, with a prologue by Hector Cardenas, was sponsored by the Mexican diplomatic and historical archives.

El Salvador

Delegations Agree To Human Rights Verification

PA2607124190 Panama City ACAN in Spanish 1059 GMT 26 Jul 90

[Text] San Jose, 26 Jul (ACAN-EFE)—Following six days of negotiations, the Salvadoran Government and guerrillas agreed here today to ask the UN permanent mission in the country to verify the fulfillment of human rights.

The final document, issued at the end of the meeting at 0500 (1000 GMT), contemplates the creation of the UN mission that will have "broad powers" to come out in defense of human rights in El Salvador, a member of the government delegation told ACAN-EFE at the end of the meeting.

The text constitutes the first basic agreement reached during the peace talks, which began last May in Caracas which should give way to a cease-fire to end the 10-year civil war that has left more than 70,000 dead.

THe agreement was signed by the members of the two delegations headed by Salvadoran Justice Minister Oscar Santamaria, Farabundo Marti Mational Liberation Front (FMLN) Commander Jorge Shafik Handal, and by Peruvian Alvaro de Soto, UN representative.

FMLN, Government Issue Statement

PA2607141890 San Salvador Radio Cadena YSU in Spanish 1205 GMT 26 Jul 90

[Statement issued by the Government and Farabundo Marti National Liberation Front, FMLN, delegations in San Jose, Costa Rica, on 26 July; read by Alvaro De Soto, the UN secretary general's representative—recorded]

[Text] In keeping with the Geneva agreement of 4 April 1990, the negotiating commissions of the Salvadoran Government and the FMLN met in San Jose, Costa Rica between 20-26 July 1990, with the participation of the UN secretary general's representative.

In accordance with the agreement reached in Caracas on 21 May 1990, the government and FMLN broached the first two topics on the agenda: armed forces and human rights. Political agreements must be reached on these and the other topics on the agenda in order to achieve the negotiations process' initial goal.

The armed forces issue, on which an agreement has not been reached, will be given priority status at the next round of talks. Concerning the human rights issue, I am pleased to announce that it is the subject of the first substantial agreement in the negotiations process.

The agreement primarily calls for a broad pledge concerning human rights, which are understood—within the context of this agreement—as those that are recognized by the Salvadoran legal structure. This includes the treaties that El Salvador has signed, as well as the human and humanitarian rights declarations and principles approved by the United Nations and OAS.

The agreement includes the pledge to adopt immediate measures to avoid any situation that may threaten people's lives, integrity, safety, and freedom. It includes the pledge to eradicate such practices as disappearances, kidnappings, and torture. Both sides also made pledges related to imprisonment to guarantee detainees' rights, outlaw arrests by anonymous agents, and avoid arrests as a means of intimidation, thereby establishing that arrests will not be made during evening hours.

A pledge was also made to offer the broadest support for writs of amparo and habeas corpus; freedom of association, including labor union freedom; and the freedoms of press and expression.

In accordance with the Geneva agreement, both sides have agreed on the terms upon which the United Nations will carry out its human rights verification mission which, according to the agreement, will be established within the framework of the initial goal, beginning with a cease-fire. The UN mission must pay special attention to the observation of people's rights to life, integrity, safety, due process, personal freedom, freedom of expression, and freedom of association.

Within this context, the UN mission will make a special effort to explain any situation that may seem to reveal systematic human rights violations, and in such cases recommend to the side involved the appropriate measures to eradicate that practice.

The mission will be headed by a director designated by the UN secretary general. This director will work closely with the human rights organizations and entities in El Salvador, and he will be supported by specialized advisers. The mission will include the necessary number of verification agents, and it will be endowed with broad powers to implement the initiatives it may deem appropriate to promote and defend human rights, to guarantee and foster respect for such rights in El Salvador, and to contribute to overcoming situations in which this respect and these guarantees are not duly observed.

Among these powers are the mission's right to receive human rights violations reports, freely visit any area, freely and privately interview anyone, gather pertinent information through the means it may consider adequate, make recommendations to both parties, address the attorney general, and publish its reports, conclusions, and recommendations.

Both sides have pledged to offer the broadest support to the mission and to provide it with all of the facilities it may require in order to fulfill its duties.

I might add that the agreement reached today does not exhaust consideration of the human rights issue and, therefore, it is a partial agreement.

I wish to attest to the Salvadoran Government's and FMLN's profound gratitude toward the Costa Rican Government and people for the generous and efficient hospitality they have offered them. The United Nations, of course, joins in expressing this gratitude.

The Salvadoran Government and FMLN have agreed to hold a new round of direct talks with the participation of the secretary general's representative 17-22 August 1990 in San Jose, Costa Rica.

'Text' of Agreement

PA2607161890 Paris AFP in Spanish 1517 GMT 26 Jul 90

[All quotation marks as received]

[Text] San Jose, July 26 (AFP) - The following is a text of the main agreements on human rights and international verification made between the Salvadoran Government and the Farabundo Marti National Liberation Front, FMLN, on 26 July in San Jose, Costa Rica.

Respect and Guarantee of Human Rights

"1. All necessary actions and measures will be immediately adopted to prevent all kinds of actions and practices against the life, integrity, safety, and freedom of persons as well as to eradicate the practice of kidnappings and making people disappear. Priority will be given to the investigation of cases of this nature that may occur as well as to the identification and punishment of persons found guilty of them.

"2. The full guarantee of the freedom and integrity of persons requires that certain measures be immediately adopted in order to ensure the following:

A. No one will be subject to arrest for legitimately exercising his or her political rights.

B. An arrest may only be carried out if it emanates from competent authorities, in writing and in accordance with the laws, and it must be carried out by duly identified operatives.

C. Every person must be informed, at the time of his or her capture, of the reasons for the arrest and must be notified, without delay, of the charge or charges levied against him or her.

D. The use of arrests as a means to intimidate will be avoided at all times and, in particular, no arrests will be made at night, except in the case of persons caught in the act while committing a crime.

E. No arrested persons will be held incommunicado. Every arrested person is entitled to be assisted without delay by defense counsel of his or her choice and may freely communicate in private with such counsel.

F. No person will be subjected to tortures or cruel, inhuman, and degrading treatment.

3. During the course of these negotiations appropriate legal proceedings and deadlines will be established in order to release the persons held in custody for political reasons.

4. A broad backing will be extended toward the full exercise of the remedies of amparo and habeas corpus. For this purpose, this agreement will be disseminated as widely as possible among the population in general and, in particular, among the authorities or agents responsible for detention centers. Persons who block the exercise of these remedies or present false data to the judicial authorities will be punished.

"5. Respect for the right of all people to freely associate themselves for ideological, religious, political, economic, labor, social, cultural, sports, and any other reasons will be fully guaranteed. Labor union rights will be fully respected.

"6. Freedom of speech and the press, right to reply, and the practice of journalism will be fully guaranteed.

"7. The displaced and repatriated must receive the identification documents required by law and be guaranteed freedom of movement, to develop their economic activities, and exercise their political and social rights within the country's institutional framework.

"8. In the conflict areas, free movement of all people will be guaranteed, and the appropriate measures will be adopted to provide the inhabitants of those areas with the identification documents required by law.

"9. The need to guarantee the effectiveness of labor rights is recognized. This issue will be discussed under the point dealing with social-economic problems of the agenda.

II. International Verification

"10. In keeping with the Geneva Agreement and the negotiation agenda approved in Caracas, the parties express agreement with the terms of the role that the UN verification mission on human rights (henceforth known as "the mission") will play as follows:

"11. The mission must pay special atention to the respect of the right to life, integrity and safety of the people, due legal process, personal freedom, freedom of speech, and freedom of association.

Within this context, it will, above all, strive to clarify any situation that appears to indicate a systematic violation of human rights, and as the case may be, recommend to the party involved the appropriate measures to eradicate that practice. All this without undermining the powers bestowed on the mission to handle special cases.

"12. The mission will be under the responsibility of a director who will be appointed by the UN secretary general. The director will work in close cooperation with human rights organizations and entities that exist in El Salvador. He will also be supported by specialized

experts. The mission will have the number of verification agents that are deemed necessary.

"13. The mission's purpose will be to become informed of the status of human rights in El Salvador, on the basis of events or situations existing at the time of its installation in office, and to take any measures that it deems appropriate to promote and defend those rights. In this regard, it will carry out its duties with an eye toward promoting respect for and a guarantee of human rights in El Salvador, and helping to correct any situations in which said respect for and guarantee of human rights are not being duly observed.

"14. The mission's mandate will include the following powers:

A. To verify respect for human rights in El Salvador.

B. To receive communications from any persons, group of persons, or organization in El Salvador in which human rights violations are reported.

C. To freely visit any place or establishment without advance notice.

D. To establish itself freely anywhere in the national territory.

E. To meet freely and in private with any person, group, or member of an organization or institution.

F. To gather, by whatever means it deems appropriate, all information that it considers pertinent.

G. To make recommendations to the parties involved in line with the conclusions that it has reached concerning the cases or situations that it has examined.

H. To offer its support to the Salvadoran Judicial Branch to help improve judicial means of protecting human rights and ensuring respect for due process of law.

I To address the attorney general of the republic.

J. To design and implement an educational and informational campaign on human rights, as well as on the functions of the mission itself.

K. To make use of the communications media when they are useful for the fulfillment of the mission's mandate.

L. To submit regular reports to the UN secretary general, and through him, to the UN General Assembly.

"15. The parties pledge to extend their broadest support to the mission. To this end, they are obliged to:

A. Provide the mission with all the facilities that it needs to carry out its duties.

B. Ensure the security of the members of the mission and that of any persons who may have provided it with information, testimony, or evidence of any kind.

C. Quickly supply any information requested by the mission.

D. Quickly follow recommendations made by the mission.

E. Avoid hindering the mission's work.

"16. Each side is to appoint a delegate to act as liaison with the mission.

"17. If the mission receives information referring to events or circumstances that occurred before the mission's installation, and if the mission believes it is pertinent, it may forward it to the appropriate organizations.

"18. The simple fact that the mission is studying or considering a case will not prevent the application of international procedures for promotion and protection of human rights.

"19. Regardless of the work to be done before the installation of the mission, it will begin operating from the moment the armed clashes stop. Initially the mission will be installed for one year and may be extended.

San Jose, 26 July 1990

Representing the Salvadoran Government: Dr. Oscar Alfredo Santamaria, Colonel Juan Martinez Varela, Colonel Mauricio Ernesto Vargas, Dr. Abelardo Torres, Dr. David Escobar Galindo, and Dr. Rafael Hernan Contreras.

Representing the FMLN: Commander Jorge Shafik Handal, Commander Eduardo Sancho, Ana Guadalupe Martinez, Salvador Samayoa, Dagoberto Gutierrez, Marta Valladares, and Roberto Canas.

Alvaro De Soto, representative of the UN Secretary General.

Handal Says Armed Forces Issue Still Pending

PA2607142290 San Jose Radio Reloj in Spanish 1200 GMT 26 Jul 90

[Text] After the release of the joint communique, the Salvadoran guerrillas, through Commander Jorge Shafik Handal, have commented on what this agreement means for the negotiating process. Handal said that the changes and modernization of the Armed Forces have not been completely discussed and are still pending. Let us listen to what Commander Handal has to say:

[Begin Handal recording] What is happening in that trial is not clear. The responsibility of what may happen due to the stalemate and not progressing and arriving at the truth depends on those involved, including President Cristiani. Recently he made declarations admitting that he ordered the search of the UCA [Central American University] three days before the murders. It was really an exploratory operation in preparation for the murder

that was committted later. After hiding this truth for seven months, he has now admitted it. That involves him in this problem.

As we said yesterday during a meeting with reporters, this has several implications. It casts doubts on how much he really knows. It detracts from his qualifications as a participant in these negotiations. It creates doubts on whether or not there is a willingnes to reach final agreemnts, especially on basic issues that [word indistinct] the military dictatorship to achieve democracy and human rights in our country.

We could not advance with the topic of the Armed Forces. There were no truly negotiable replies regarding our demand that the Armed Forces be demilitarized. These are two realities of the same experience, of these same seven days of hard work here in San Jose seeking negotiable agreements. These two realities must be present and our contry must not forget them, because much struggle and efforts will be needed to advance on the path of negotiations. We must be firm in these agreements. This agreement will not be worth much if we do not advance on the topic of demilitarization and if we do not manage to eliminate the privilege of impunity among the military personel; these are key elements concerning the military dictatorship in our country.

The bulletin issued by UN mediator Alvaro de Soto states that in the next round of talks, scheduled for 17-22 August here in San Jose, the main issue will again be the Armed Forces. It also states that from now until then, the preparation for the meeting will also be a priority issue. [end recording]

Rebel Command Issues Communique on Talks

PA2607133990 San Salvador EL DIARIO DE HOY in Spanish 25 Jul 90 p 2

[Communique issued by the joint command of the Farabundo Marti National Liberation Front, FMLN, Modesto Ramirez Central Front in El Salvador; date not given]

[Text] Farabundo Marti National Liberation Front, El Salvador, Central America.

"Communique to the Salvadoran people on the dialogue meetings being held with the Arena [Nationalist Republican Alliance] government:

"We face a complex situation at the national and international level. The world has suffered important changes that are characterized by the people's search for democratic governments, crises in bourgeois dictatorships, fascist regimes, and single party governments. There is a need for the governments to look after the people's interests with multiparty representation or with governments comprised of several political groups. There is a need for societies to include different forms of economic and social production, joint ownership, state ownership, and private ownership. There must be economic democracy, shared democracy, and social justice.

"This means that there is an overall effort to find a solution to social conflicts through a political solution, meaning negotiation.

"The FMLN has been struggling for several years to achieve our people's definite liberation, convinced that the effort exerted to achieve peace with justice must be shared by as many Salvadorans as possible. We have proposed various alternatives to solve the current crisis because only a tenacious effort will pull our homeland out of the ruins in which it was immersed because of the new dictatorships that depend on the U.S. Government.

"Our 1989 November offensive proved that we are a real power, and we destroyed the mask of false democracy that the Army maintained with its instrument, the Arena government. The fascist and repressive character of the Goes [Special Operations Group] and FAES [Salvadoran Armed Forces] was proved when assassinations like those of the Jesuit priests occurred.

"Before the offensive, this was—and still is—a real power without which a solution to the conflict is not possible. The international solidarity without struggle has reached the highest levels of all revolutionary history, and the United States' military aid to the bourgeois Army is in danger.

"The FMLN's strength has brought the government, the Yankees, and the military leadership to the negotiating table within a framework that is advantageous for the people's interests and critical for the ARENA and Army death squad members.

"Given the national and international situation, the negotiation is a reality and it is something we all need. The political struggle for peace has taken a foremost position, and we must support that struggle to the maximum—above all the rank and file, fighters, and political-military cadres—to strengthen the peace efforts and guarantee that the negotiation is favorable for our people. We negotiate to achieve all the goals we seek: justice, democracy, and peace. Our political and military power, the people's support and organization, our weapons, and the international community's diplomatic support and solidarity guarantee a victory through the negotiations.

"We have already proved our strength and capability, and this guarantees a strategic negotiation that is favorable for our people. The largest popular groups advocate a negotiation, and we are prepared to lead our people on the road to peace. We urge our rank and file, fighters, commands, and popular groups to renew their efforts to prevent the enemies of negotiation, democracy, justice, and peace from obstructing the real possibilities of finding a negotiated political solution to the national conflict.

"The negotiation is a fact, and we have guaranteed it militarily with our power; today we must guarantee it

with our political power and will so that the warmongerers, extreme leftists, and the eternal enemies of the people's interests may no longer profit from the war.

"The FMLN advocates a definite cease-fire that has previously been agreed upon by the two parties. It advocates the true democratization of all the system. We urge the political parties, the government, the Army, the North Americans, the country's organizations and institutions, the international community, and the people in general to speak out against the war and in favor of peace. We urge them to condemn any action that endangers a negotiated political solution.

"The FMLN pledges to advocate an atmosphere of national detente to achieve progress in the negotiation; and it urges all the national groups to do likewise so that we may achieve peace with social justice. We also wish to clearly state that only authorized spokesmen may give statements on our front's position concerning the dialogue-negotiation and on revolutionary military operations. The statements by unauthorized spokesmen lack credibility and veracity. We are a disciplined and responsible force. We warn our people that they should not believe in statements given by private individuals which do not respond to the guidelines followed by our vanguard to achieve peace.

"Referring to this, we urge the people to reject any action or statements which endanger the strategic negotiation, to mobilize themselves in favor of a political solution, and to disregard statements which are not given by authorized spokesmen and officers of the revolutionary vanguard.

"Yes, to peace; no, to war!

"Revolution or death...we will win!

Joint Command, Modesto Ramirez Central Front, FMLN.

FMLN Says Cristiani Abetted Jesuit Murders

PA2607154090 Panama City ACAN in Spanish 1437 GMT 26 Jul 90

[Text] San Jose, 26 Jul (ACAN - EFE)—The Farabundo Marti National Liberation Front (FMLN) General Command claimed today that Salvadoran President Alfredo Cristiani is one of the persons politically responsible for the murder of six Jesuits, five of them Spaniards, in 1989 in San Salvador.

The FMLN addressed a letter to Cristiani today noting that he has been incapable of "hiding" facts connected with this multiple crime as well as "his links and conduct" in the case which "show him to be at least a suspect in abetting this crime."

"Regardless of the final results of the police investigation and judiciary trial of this crime, your political responsibility, Mr. Cristiani, has been established," the FMLN charged.

Also, the rebel command states that "in any democratic country you, as well as the other members of the Armed Forces High Command, would have been asked to resign."

Ten members of the Salvadoran Army have been accused of involvement in the multiple crimes committed the morning of 16 November during an all-out military offensive by the FMLN and under a rigid "curfew."

The FMLN letter was disclosed early this morning in Costa Rica by "Commander" Jorge Shafik Handal, head of the rebel delegation that concluded a round of peace talks with a government delegation this morning. An agreement was reached for the United Nations to watch over the respect for human rights in El Salvador.

The rebels warn Cristiani that his image as a participant in the dialogue for peace "has greatly deteriorated," and that his "credibility" is "crumbling." The rebels claim that these two factors "could irreparably harm" the negotiating process.

The government and the guerrillas initiated a peace process in Caracas in May to end a decade of war that has left 70,000 dead.

The rebels reproach Cristiani for having "kept secret for seven months" the fact that he authorized the search of the "Simeon Canas" Central American University on 13 November 1989. The order was issued by Chief of Staff Colonel Rene Emilio Ponce.

"By ordering the search, you and the High Command took the decisive step in the series of decisions and orders that led to the murder of the Jesuit priests three days later."

The rebels add that Cristiani "is duty-bound to cooperate unrestrictedly in solving the murder of the Jesuit priests. He must convincingly explain his own responsibility in the decisions and orders regarding this case."

Rebel Commentary on Cease-Fire Requirements

PA2607191290 (Clandestine) Radio Venceremos in Spanish to El Salvador 0200 GMT 26 Jul 90

[Station commentary: "Impunity in the Eye of the Storm"]

[Text] One of the most difficult moments we have encountered during the negotiating process has been at San Jose, Costa Rica. The government has joined these talks with the well-worn strategy of appearing to change something, when in fact it is leaving everything the same. This sums up the 33-point proposal the government has presented in Costa Rica. The government's intention is very clear: To force the Farabundo Marti National Liberation Front [FMLN] to agree now to a cease-fire, without first arriving at any political agreements, the way it was established in the Geneva Protocol. The government does not consider the cease-fire as an end to

the war; it considers it as a bait for the municipal and legislative elections scheduled for 1991. Arena [Nationalist Republican Alliance] is portrayed as a party of peace, in an attempt to compensate for their serious decline due to their anti-popular economic policies and violations of human rights.

For the FMLN, it would be a very irresponsible act to agree on a cease-fire without first putting a full stop to the impunity enjoyed by the military. We say impunity because we did not go to the negotiating table seeking pardon for having started a war; instead, we have been fighting—as if we were on the battlefield—to achieve democracy in the country. To abandon the war and leave things as they are would mean leaving unprotected all sectors except for an Armed Forces that for years has been used to wield political power and murder whoever opposes them. Any agreement to a cease-fire without first ending the impunity is tantamount to preparing the ground for a new and immediate outbreak of war.

What we want and are sure most of the country also wants is to achieve peace based on a democratic and demilitarized society and not allow Arena to use us for their political games. The government continues stalling by dodging the impunity topic. The rot has spread beyond the Army and has rotted away the Executive Branch, proven by the fact that President Cristiani himself has admitted it was he who ordered the search of the Central American University just hours before soldiers killed six priests and two women. This is the great problem that needs to be resolved in our country. It is a fact that the killers are not only free, but are installed at th highest political levels, protected by the impunity system. We believe the time has come for the country's political and social forces that yearn for democracy, to join forces looking beyond our ideological differences, and fight united against the impunity, the militarism, violations to human rights, and thus achieve peace in El Salvador.

Justice Minister Interviewed on Peace Talks

PA2607214890 San Salvador Radio Cadena YSU in Spanish 1200 GMT 26 Jul 90

["Exclusive" interview with Justice Minister Oscar Santamaria, official spokesman for the government delegation to the peace talks by Julio Ernesto Rodriguez; in San Jose on 26 July—recorded]

[Text] [Rodriguez] Doctor, this is one of the first substantial agreements reached so far in the negotiations process. What is the government's assessment of the agreement?

[Santamaria] First of all, I wish to send a sincere and cordial greeting to the Salvadoran people this morning, minutes after concluding the meeting that ends this round of talks in San Jose, Costa Rica.

Concerning the peace process in which the Salvadoran Government and the FMLN [Farabundo Marti National Liberation Front] participated, I can tell the Salvadoran people that fortunately we have concluded the meeting with a very important step because we have reached an agreement concerning substantive issues on the agenda that we developed in San Jose, which was approved months ago in Caracas, Venezuela.

On this occasion, we reached an agreement with the FMLN on human rights, which is a very important and significant issue for all Salvadorans. The agreement includes everything pertaining to the respect and guarantee of human rights, and also everything pertaining to the verification of these agreements' fulfillment. I would like to tell the Salvadoran people that the government came to the meeting in San Jose with goodwill and a positive attitude toward reaching agreements in order to clearly prove to the people that we are on the right path, that we are moving toward our goal of peace, that we have shown our intentions and goals, and that we have attained results.

We came to seek evidence and the evidence is on the table. This is what we always said. Even though the FMLN made many statements at this meeting to the effect that the government had attempted to block the negotiations and to prevent the process from moving foward, the fact is quite the contrary. We maintained that there was enough raw material on the dialogue table to make a concerted effort and to reach an agreement. This has been proven precisely by what we accomplished today.

We have also said that as it did with the human rights issue, the government has also presented specific in-depth points concerning other topics, especially regarding the Armed Forces. At the meeting in Caracas, we included such topics as the electoral process in the talks, and we also included the cease-fire issue and all actions that violate the civilian populations' rights. We have hereby proven that the government is fulfilling its pledges, and that very often, even when an effort is made to show the public that the atmosphere is charged with negative factors that make progress toward peace impossible, as the FMLN has done on more than one occasion and—I repeat—it did here in San Jose, the events that are taking place here have proven the contrary.

When the people see how we are going to continue working, we believe they will trust in the process we are conducting and find it credible. However, all those threats against the Salvadoran people—sometimes they announce there will be a series of actions that will provoke more pain, tragedy, desolation, death, and destruction among the Salvadoran people—do not favor or help the process. What does help are things like what we achieved this morning as a result of agreements signed by both parties. I repeat, these are the results that the Salvadoran people have long been waiting for.

[Rodriguez] Does this new agreement imply creating a verification mission from the United Nations? The document states that the mission will be created once there is a cease-fire. How do you view this?

[Santamaria] This new organization or body that will handle everything regarding the verification of respect for and guarantee of human rights is established with the appointment by the United Nations of the person who will oversee these functions. That will be the way to verify and control the fulfillment of these agreements. This is stated so that it will start functioning the moment the cease-fire is signed. We believe that, in this way, as I said before, we must also work along parallel lines to reach a cease-fire.

What we are signing now with the FMLN is a political agreement. It is like the Geneva agreement says: These are political agreements that will lead to a cease-fire. It is also confirmed by the Caracas agreement, whose first point in the Agenda of Human Rights, as part of the first phase to be developed, is to bring about the end of the armed conflict and all acts violating human rights. That is a fact. We could say that we are fulfilling the rest of the agreements in other matters related to this first phase. According to what was agreed on in Caracas, the first phase states that the end of the fighting should be by mid-September. We are adopting these steps to fulfill the agreements. We must work within the framework of the agreement to end the armed conflict. That is why we brought this topic to Costa Rica, to discuss it and incorporate it into the talks, and it has been incorporated in these meetings in Costa Rica.

[Rodriguez] Dr. Santamaria, to conclude this brief interview, we would like to learn about the implementation mechanisms, that is, in what way this new mission will work. How will it do its work inside the country? Will it be here permanently?

[Santamaria] I would say that the goal of the mission, through the officials who are part of it, will be to stay in our country in a stable manner. In this sense, it will have to carry out a whole series of functions according to the agreement, such as verifying compliance with human rights; receiving reports from anybody regarding complaints about human rights violations; freely visiting any place, establishment, or institution which they deem convenient, and at their discretion; presenting themselves and staying anywhere in the country; freely interviewing, in private, any persons or groups from entities or institutions; gathering, through any means they see fit, all sorts of information regarding human rights; and making recommendations to both sides. This is important. As I said before, this agreement has been signed by the government and the FMLN. All actions concerning violations of human rights, which may be at some point under the responsibility of any of the parties, will have to be known by this mission and will have to be the subject of its observations.

Similarly, the mission will also offer its support to the government institutions. In the case of the judicial branch, it will help improve judicial proceedings in our country. It will also have to carry out many functions and activities involving frank cooperation with the Attorney General's Office. It will draw up educational and dissemination campaigns and programs regarding respect for human rights. It will use any media within its reach. In a nutshell, I mention here only examples of many of the functions this mission will accomplish.

As I said before, this mission will have a stable nature. It will initially be established for one year, in accordance with the mandate that may be granted to it by the UN General Assembly, which is the head organization on which it will depend.

Political Party Says Cristiani Should Testify

PA2707032090 Panama City ACAN in Spanish 2352 GMT 26 Jul 90

[Text] San Salvador, 26 Jul (ACAN-EFE) — The opposition Christian Democratic Party (PDC) said today that Salvadoran President Alfredo Cristiani should appear before the judge who is conducting an investigation into the assassination of the six Jesuit priests in late November to clarify various doubts which have emerged over the past few days.

PDC leader Gerardo Lechevalier said he is surprised that it was not until two weeks ago that Cristiani admitted that he had authorized the search at the Central American University (UCA), where the murder was committed on 16 November 1989.

Lechevalier told ACAN-EFE that the president "covered up" the crime by "hiding this information" from 4th Penal Judge Ricardo Zamora, who is in charge of the investigation.

The PDC leader recalled that Lieutenant Colonel Camilo Hernandez, who has been charged with "concealment" because he allegedly destroyed a key document of the trial, was recently arrested on orders from Judge Zamora.

"The president should appear before the judge so that he can determine the appropriate action," Lechevalier added.

In a communique, the PDC questions why Colonel Guillermo Benavides, the main suspect in the Jesuits murder, has testified that the Armed Forces Joint Chiefs of Staff ordered the search of the UCA on 13 November when Cristiani "says he ordered the search."

Col. Benavides told the judge this shortly before the president admitted that the Armed Forces Joint Chiefs of Staff had ordered the search, but he authorized it because there was a suspicion that weapons and guerrillas were hidden at the UCA.

In a letter released today in Costa Rica, at the end of the talks with the government, the Farabundo Marti National Liberation Front (FMLN) accuses Cristiani of being one of the politicians responsible for the murder of the Jesuits.

The FMLN document says that if the Salvadoran president has been capable of "hiding" facts linked to this assassination, and "his links and conduct" about the case "mark him as a suspect of or at least being an accessory after the fact," then "regardles of the final results of the police and judicial process on this crime, his political responsibility has been established."

Nicaragua

Central Bank President Explains Gold Cordoba

PA2607174790 Managua Radio Sandino in Spanish 1200 GMT 26 Jul 90

[Text] Dr. Francisco Mayorga, Central Bank president and main sponsor of the government's economic recovery plan, has said that Nicaragua's economic recovery plan would not have been so painful had the Sandinists not insisted on leaving public service fees unrealistically and ridiculously low. Mayorga added that the curency exchange rates were kept at unrealistic levels by the Sandinists and that at the last minute the Sandinists circulated billions of cordobas.

According to Dr. Mayorga, these two reasons caused the original economy plan to become unbalanced, with the people left to suffer the consequences. The Central Bank director said that as long as he heads the Central Bank the gold cordoba will not be devalued because the issuance of this currency is being carefully planned and that each gold cordoba Nicaraguans may have in their pocket will be backed by a dollar bill. With this argument Dr. Mayorga tried to counter the general opinion that the gold cordoba is undervalued even before issuance and to reply to Upanic's [Union of Nicaraguan Agricultural-Livestock Producers] suggestion that a monetary shortage [desmonetizacion] will ensue. Mayorga argues that the economic measures adopted so far favor the poorest sectors because the dollar will hold its proper value and because of lower inflation rates, which dropped from 49 percent to only nine percent during the months the UNO [National Opposition Union] has been in power.

Mayorga insisted that there had been a printing spree of old cordobas, but he did not blame anyone in particular. Mayorga said that when the 5 million and 10 million notes were introduced there had been hope that the black market currency changers would be adversely affected. Another explanation given by Dr. Mayorga wase the negative effect on the population caused by charging services in gold cordobas, with the argument that the Nicaraguan economy had long been using dollars. The fact is that no one pays in gold cordobas but in old cordobas, because the new currency is not yet circulating. Mayorga replied to UPANIC that it is not possible to pay salaries in dollars and that workers earn their pay in old cordobas and spend and pay for services in old cordobas.

Conservative Party Communique Supports Government

PA2607150490 Managua Domestic Service in Spanish 1815 GMT 24 Jul 90

[Communique issued by National Conservative Party, PNC, Convention in Managua on 8 July]

[Text] At an ordinary session held in Managua on 8 July 1990, the convention of the National Conservative Party [PNC], conscious of the orientation and policymaking role entrusted to it by Article 37 of the party's bylaws and exercising the right granted to it as supreme party authority by Article 38 of the same bylaws, voted to present to the PNC followers and to the Nicaraguan people in general, a clear picture of the political situation that has arisen in our country as a result of the electoral victory of the opposition, to which our party contributed in such an outstanding manner.

Considering that the people's faith and confidence in the democratic system has been revived by that electoral victory and that the people have rejected the criminal behavior of the Sandinist National Liberation Front [FSLN] which, following its defeat, established an entire structure of laws and measures to entrench itself in state offices and to loot the state's property for the benefit of its leadership, blocking the implementation of the UNO's [National Opposition Union] government program.

Convinced that the participation of the party in the establishment of the National Salvation Government imposes on us serious obligations and responsibilities that must be assumed with a historic mission in preparation for future political-electoral struggles, the party decides:

1. To condemn the criminal behavior of the FSLN, which in a shameful action, once it learned of the UNO's victory, began to loot the state properties, by taking for themselves farms, homes, vehicles, furniture, dollars, etcetera. They over-indulged in the phenomenal looting of the government offices and the public treasury. They gave themselves life pensions and amnesties for all the crimes committed in the past, going all the way from theft to murder, including embezzlement and fraud.

2. The FSLN is the only one responsible for the poor and ruinous condition of the national economy, which it has continued to promote by putting into circulation thousands of millions of cordobas of a dubious origin, which has greatly increased inflation with serious consequences for the poor people in this country. It has increased the crime rate by distributing war weapons to its followers with which they are persecuting, terrorizing, and murdering UNO electoral activists.

3. To firmly support the National Salvation Government, headed by Her Excellency Mrs. Violeta Barrios de Chamorro, by making constructive criticism aimed at improving the handling of public matters.

4. To remind the government of its obligation to abide by the current laws and to enact new laws to bring under control the general anarchy, which the Sandinists intend

to unleash with the illegal strikes that have been called in different government offices, with the illegal occupation of lands by squatters, and with civil disobedience. All of this is being done with the clear intention of obstructing the economic recovery, which the government is determined to achieve with the generous cooperation of the international community.

5. To reiterate that the policies of reconciliation must not be confused with the granting of permissions to the Sandinists so they can violate the laws of the republic.

6. To celebrate as ours the important achievements obtained by the government headed by Mrs. Violeta Barrios de Chamorro, especially the nation's peace, by means of the demobilization and voluntary disarmament of the Nicaraguan Resistance and the economic support of the international community. We remind the Nicaraguan people, especially those in government, about their duty to grant the former members of the Nicaraguan Resistance all the necessary security measures to rejoin the productive activities of the nation. This is essential to achieve the reduction and nationalization of the Armed Forces.

7. We believe there should be a true and effective coordination between all branches of government and an authentic bond among the UNO legislators based on justice and equality. This would prevent the minority legislators from taking advantage of the situation and becoming [three-second break in reception] popular.

8. To express our full support for the latest pastoral letter issued by the Episcopal Conference, whose guidelines and orientations we share.

9. To ratify our aspirations for the complete unity of all goodwill conservatives who, regardless of their personal or faction interests, want the creation of a single and vigorous National Conservative Party of Nicaragua.

We finally send a message of optimism and hope to our great party membership, not only after the failure of the historic plans of the FSLN and the resounding failure of communist dictatorships, but because these situations have strengthened the values of men, which are based on tradition, proclaimed and defended by conservatives.

In facing the future, young Conservatives are joining the party leadership to give it the necessary historic continuity, always appreciating the invaluable contribution of the experience provided by the older directors, all of which makes us believe that the Conservatives' sun will shine brightly in the fatherland's horizon.

Article Questions Freedom of Expression

PA2607200190 Managua BARRICADA in Spanish 25 Jul 90 p 3

[Article by Edmundo Jarquin: "Is This a Limited Democracy"]

[Text] The government and certain sectors that support the current administration have violated freedom of expression in a manner that causes serious concern. These violations have taken place without any legal support or a political-military situation to justify them.

The attack on Radio Corporacion was in violation of democratic liberties, as was the attack against the television Extravision newscast and the economic boycotts of EL NUEVO DIARIO and LA SEMANA COMICA newspapers and La Primerisima radio station, among others.

The fact that a top government official abusively cancels a television newscast, that LA PRENSA 13 July editorial justifies this action while at the same time it refers us to that limited concept of freedom of expression that is based on the economic capacity to own a media source, and the fact that those same sectors are encouraging advertisers to refrain from giving us their advertising business and are trying "suffocate us economically," are all clear signs that certain government officials and supporters operate with a very dangerous concept of freedom of expression and freedom in general. This freedom is only for them, for those who believe and share their opinions, and for those who have enough money to buy this freedom.

This concept is closely linked to the watchword that Sandinism must be exterminated because "dead dogs don't bite." The concept expresses the current government's irrational attitude of promoting a limited democracy; one from which the Sandinsts are excluded.

We stress that this attitude is apparently supported by certain persons and sectors in the government. We are also seeing that there are other government officials who act responsibly and abide by the political process that allowed anti-Sandinism to reach power. These officials maintain an open political mind and do not approve of actions like the ones we have mentioned.

Unfortunately, the biased image created by those with a restricted, elitist, and revengeful political viewpoint is the one that prevails in the government's domestic and international image. It is only natural that we should ask ourselves whether it is groundless for our people to fear that behind the words democracy and freedom lies repression of the people and their interests.

In addition to telling the people that it is impossible to think about social and political stability as well as economic recovery if any sector is excluded, let alone one as important as the FSLN, it is necessary to avoid having the wrong impression that the limitations of "democracy" as stated by rightwing groups is proof that the democratic option of the Nicaraguan revolution was naive or useless.

On the contrary, the conceptual and historic limitation of some revengeful and backward rightwing groups is proof that democracy in Nicaragua, which never existed in a century and a half of rightwing governments, is a

revolutionary vindication of wide popular support. Only by adopting positions in favor of the people, can democratic freedoms be fully exercised.

As the El Crucero document stated, "Democracy is the banner of the FSLN," and to face the current abuses, we must defend without hesitation the democratic freedoms of all Nicaraguans, Sandinists and non-Sandinists alike because they are an irreplaceable achievement of human beings, which was made possible by the revolution in Nicaragua. The right-wing sectors were thereby stripped of the only political argument with which they have been able to legitimize, in a certain way, their position against the social interests vindicated by the Sandinists.

If the FSLN, just as it is taking place, assumes democratic practices without insinuations, it will clearly be seen that behind the "democratic" position of some rightwing sectors, you can find hidden the old totalitarian concepts exercised by liberals and conservatives until the end of Somoza's time, as can be seen in the case of the "Extravision" newscast.

Argentina

Menem Offers To Mediate in Cuban Refugee Case

PY2607123890 Buenos Aires DYN in Spanish 1217 GMT 26 Jul 90

[Text] Buenos Aires, 26 Jul (DYN)—President Carlos Menem said that today he will place a telephone call to Spanish Prime Minister Felipe Gonzalez. He said he will offer the mediation of the Argentine Government in the conflict between Spain and Cuba over the asylum of Cuban citizens at the Spanish Embassy in Havana.

Menem said Cuban Leader Fidel Castro is going through "a difficult time" but it is necessary "to calm the waters and to help Cuba join the democratic world through dialogue."

Official Discusses Bush Plan, Ties With Cuba

PY2707021890 Buenos Aires TELAM in Spanish 0119 GMT 27 Jul 90

[Text] Buenos Aires, 26 Jul (TELAM)—Raul Carignano, Foreign Ministry under secretary for Latin American affairs, said today that Fidel Castro's government "must give clear signals of beginning a democratic opening process, because otherwise it will run the risk of being isolated from the rest of the continent."

During a news conference this afternoon at the Argentine Foreign Ministry, Ambassador Carignano talked about this and other subjects, following a report on his trip to the United States where he contacted his U.S. counterpart, Bernard Aronson, assistant secretary for inter-American affairs.

According to Carignano, he was able to confirm in the United States that this country's relations with Argentina "are experiencing their best moment," and he considered that "there is an atmosphere of great respect for President Menem's administration."

He said: "There is a sense that these new Latin American democracies are doing something concrete regarding the subjects of integration and free trade," and he added that "the United States is attentively waiting for Argentina, Brazil, and Uruguay's reply to the Bush proposal" for the Americas.

In response to a question, Carignano did not rule out a possible meeting between Menem and Fidel Castro during the Peruvian presidential inauguration.

"No formal request for a meeting has been made yet," he said, but he admitted that "Cuba is interested in holding a meeting."

Regarding the possibility of President Menem mediating in the conflict between Cuba and Spain, Carignano said that "Menem has a right" to do so, and he stressed the U.S. concern for the "Cuban arms trafficking in El Salvador and Colombia, destabilizing peace in the region."

"The United States want an immediate change in Cuba, aimed at a democratization process," Carignano said, adding that "nonetheless, Aronson has said that his country does not consider intervening in Cuba in any way."

Carignano later said: "If Cuba gives clear signals of political and economic reforms, it will have the full support of the rest of Latin America, but if it does not, it will run serious risks of becoming isolated, which would be very harmful for its economy."

Carignano also revealed that Cuba owes Argentina $950 million and "we are very interested in being paid, that is why our two governments are seeking some form of payment."

In conclusion, Carignano pointed out that the Foreign Ministry has not heard of any petition for asylum by Cuban citizens in the Argentine Embassy in Havana, and that if such were to occur, "we will respect the right of asylum," he said.

Bush Plan Examined

PY2407013490 Buenos Aires CLARIN in Spanish 22 Jul 90 p 8

[Report by Oscar Raul Cardoso]

[Excerpts] What are the specifics of U.S. President George Bush's proposal? What is the future of the Alliance for the Americas that the U.S. President has proposed? Is it a bet on Latin American prosperity or is it just another Alliance for Progress that will die, like its predecessor, of inefficiency? Burdened by its lack of capital, its low economic growth, and its foreign debt, Latin America has the right to consider the proposal with distrust. Meanwhile, Latin America is watching the efforts that the United States is making to keep its unquestioned hegemony on the continent in the wake of the success of the new centers of power.

The billion-dollar question that Latin American governments have asked since 26 June is whether the Initiative for the Americas, which George Bush announced on that day, is a sincere invitation to build the hemisphere's common prosperity, or whether it is just another rhetorical firecracker of a type that is very common in the history of inter-American relations.

Even though it is impossible to give an answer now, the distrustful attitude is justified. The background and the situation in which the proposal was formulated have justified the suspicion. Before making his announcement, Bush had been criticized both at home and abroad for lacking a sound proposal for Latin America. It is true that this fact has little influence—if any at all—in the political fate of the U.S. President. Yet the invasion of sovereign Panamanian territory in 1989 has been the only major action of his administration in the region. [passage omitted]

Latin American obligations to the U.S. Government amount to $12 billion, which is barely a symbolic figure

compared to the region's total indebtedness of $400 billion. Even though the economists believe that the cancellation of that $12-billion obligation will have significant impact only in Central America—where countries owe huge debts to official U.S. organizations—the attitude by Bush has been interpreted as a signal to private creditor banks.

It is inevitable to link this initiative to its predecessor, the Alliance for Progress, a modest $500-million program that John F. Kennedy designed as an answer to the Cuban revolution in the early 1960's. The Alliance was rhetorically based on cooperation in democracy, just like Bush's current initiative.

The ousting of Argentine President Arturo Frondizi—an action that had Washington's blessing—was the first blow to the Alliance, which later died of acute inefficiency. Even though it is possible to draw a whimsical comparison between the two projects—the first one after the Cochinos Bay invasion and the second one after the Panama invasion—the respective historical background cannot be compared.

Today the United States is not concerned about the security of the hemisphere in the traditional sense to which analysts have been accustomed. The collapse of Communism as a sociopolitical and economic alternative has put an end to that previous historical approach. In addition, Latin American governments have resolutely and on their own will adopted a capitalist system that seems to be definitively based on a multinational mechanism.

The following are the new points that appear as factors for a new policy of security of the hemisphere:

- Drug trafficking (the Pentagon is restructuring part of its military power).

- Preserving the environment (the natural reserve of capitalism).

- Keeping U.S. hegemony in the hemisphere unquestioned in view of the success of the new centers of power.

It is interesting to notice that all these points, even drug trafficking, are essentially economic and not ideological in nature. Drug traffickers pose a political threat, but they can offer no alternative to the capitalist system.

None of the many new positions that the international situation has forced the United States to adopt has called for the cancellation of the Monroe Doctrine, which was formulated in 1823 and laid the groundwork for an almost exclusive U.S. influence in the region. For all practical purposes, it can be deduced that Washington still holds this doctrine as fully valid.

A single political victory, however, is not enough to keep this doctrine alive. Today the United States admits that it cannot maintain the hegemonic role that it played on the international stage after World War II. With a $500-billion debt and no longer as the leading nation in the list of donors of international economic aid, the United States cannot continue to play the same role.

Bush has proposed a project in which leadership is shared. Yet the U.S. leadership does not resign itself to disappearing. In no other place can such an approach be so justified as in Latin America, a region in which the United States lost even its traditional trade surplus. In his initiative, Bush invited Japan and Europe to make their own contribution, but always within the institutional framework designed by Washington and through the IDB [Inter-American Development Bank]—a U.S. bank—as the channel for the funds.

IDB economist Jerome Morris has recently said that in Latin America the United States has enjoyed "a comparative trade advantage, similar to the one that Germany enjoyed in East Europe or Japan in Asia. Before the debt crisis, Latin America was one of the most active markets for capital good exports, a considerable portion of which were provided by U.S. suppliers." Morris, however, is not the only one to have noted this. Peter Drucke, Morris' influential colleague, has stressed that "the United States will not eliminate its commercial deficit by increasing its manufactured product exports to West Europe and Japan. There are only two ways to reduce the U.S. commercial deficit. The traditional way—which is a wrong method—with strong recession to reduce internal consumption by some 10 percent or so. The other alternative is to restore the Latin American market as a buyer of U.S. products."

Cavallo on Ministry Reorganization, Bank Secrecy

PY2607132690 Buenos Aires TELAM in Spanish 2349 GMT 25 Jul 90

[Text] Buenos Aires, 25 Jul (TELAM)—After meeting with President Carlos Menem, Foreign Minister Domingo Cavallo announced the reorganization of the Foreign Relations and Worship Ministry, and the elimination of the Secretariat for Special Matters which was headed by Alfredo Karin Yoma [brother-in-law of President Menem].

Cavallo explained tonight at Government House that this secretariat will be replaced by a technical-administrative undersecretariat "which is adequate for reorganizing the Argentine Foreign Ministry." He added: "The undersecretariat will be headed by Ambassador Jose Luis Fernandez Valoni."

Cavallo said he wants "to make it very clear that this measure is not because he fails to appreciate the good work performed by Ambassador Yoma." He added that he had already offered Yoma "the possibility of continuing to serve as his adviser at the Foreign Ministry with the title of under secretary for matters connected to economic and trade relations with Italy, Spain, and the Arab countries, as he used to do."

The foreign minister said: "Ambassador Yoma may accept this position or not, but the Foreign Ministry, the

Economy Ministry, and the president of the Republic attribute great value to the work he has performed in the last few months."

Minister Cavallo concluded by saying: "The reorganization of the Foreign Relations and Worship Ministry is aimed at making the Ministry more efficient."

The minister then commented on "the rumors and speculation on an alleged suspension" of the U.S. banks secrecy regarding Argentine deposits.

He said: "We cannot speculate about the suspension of bank secrecy, because this issue was not discussed during the recent negotiations between the U.S. and Argentine Governments."

Continuing his news conference at the Situation Room of Government House, he mentioned two areas of negotiation that are being held in Washington.

He explained: "One is of a multilateral nature. It seeks to prevent the possibility that, in view of bank secrecy, traffickers can launder the dollars obtained from drug trafficking. This decision does not depend on the United States or Argentina. It must be fully negotiated. This negotiation is underway, but we do not know how or when it will end."

"The other negotiation involves an agreement on cooperation between the United States and Argentina over the issue of taxes. Such an agreement would grant Argentina the legal mechanisms created by the U.S. laws to investigate the illegal remittance of funds abroad and would allow us to use these mechanisms in the investigation of tax-evasion cases by Argentines and vice-versa."

The minister then said that this type of agreement "does not (repeat does not) imply the indiscriminate suspension of bank secrecy. It merely allows the investigation of tax-evasion cases, but always within the framework of each country's laws, and ensures the collection of taxes."

Foreign Ministry Undersecretariat Abolished

PY2707011090 Buenos Aires BUENOS AIRES HERALD in English 26 Jul 90 p 1

[Text] The dismantling of a foreign ministry undersecretariat headed by President Carlos Menem's brother-in-law Karim Yoma was announced by Foreign Minister Domingo Cavallo yesterday.

The removal of Foreign Ministry Special Affairs Undersecretary Yoma and the closing down of his department should not reflect on Yoma's record in that capacity, the minister said.

The measure is part of the "internal reorganization" taking place at the ministry, he added.

At a Government House press conference Cavallo stressed that neither "President Carlos Menem nor I are unsatisfied with his work."

British Ambassador Comments on Falklands, Trade

PY2607174890 Buenos Aires DYN in Spanish 2044 GMT 25 Jul 90

[Text] Buenos Aires, 25 Jul (DYN)—British Ambassador to Argentina Humphrey Maud today reiterated that "the matter of the Malvinas sovereignty will not be discussed with the Argentine Government for the time being." He said that the British military garrison will be kept in the archipelago "to protect the islanders and not for strategic purposes."

Maud also alluded to the British interest in investing in Argentina. He noted that the British Petroleum Company will invest $90 million and that chemical and drug companies are interested in investing $96 million in the industrial sector.

During an interview with the DYN news agency, Maud referred to the matter on the Malvinas sovereignty, to the postponement of the meeting between Prime Minister Margaret Thatcher and President Menem, to the need to maintain the military garrison in the islands, and to the investments British businessmen are planing to make in Argentina.

Asked about the reasons for postponing the meeting between Thatcher and Menem, Maud said that "they will not meet for the time being because the high-level meetings are only held just when arrangements for such meetings are ready." He said, however: "I know that Mrs. Thatcher is very interested in meeting with President Menem at the appropriate time."

He added that Thatcher "is closely following the implementation of President Menem's economic program."

Concerning the Malvinas sovereignty, Maud said: "The decision by President Menem to keep this matter under an umbrella, that is to put aside this matter while we discuss other practical issues, shows his favorable attitude."

He said: "This decision will help to increase the confidence and to establish normal relations, despite the fact that the matter on the sovereignty will not be discussed for the time being."

Asked why the British Government still maintains the military garrison in the islands several years after the war between the two countries ended, Maud pointed out: "It should be remembered that the war occurred just eight years ago."

"The garrison is maintained in the Malvinas Islands just to protect the islanders and not for strategic purposes," Maud stressed.

Maud, who arrived in Argentina one week ago, said that "because of the incident that occurred there eight years ago the islanders need this military presence for security reasons." He reiterated that "those forces will be kept there for the time being."

He said: "We should create an atmosphere of confidence among the islanders and our two countries under the current stage of bilateral relations so that we can again become partners and friends."

Asked when the relatives of soldiers who died in the Malvinas war will be allowed to visit their graves, Maud said: "We have not yet found an appropriate way to transport those people to the islands."

Concerning fishing in the South Atlantic area, Maud said: "We have agreed on the need and common benefits of an accord to preserve the fishing stock in that area."

"If we do not take measures against the presence of third countries boats or boats flying flags of third countries in international waters we will not have anything to fish in these national waters," Maud added.

Maud announced that the Argentine and British Governments will sign an agreement on drug trafficking "to confiscate goods owned by drug traffickers, which is regarded as a very effective part of the antidrug struggle."

He added that the signing of this agreement was already discussed at the meeting held in Madrid in February 1989.

Regarding the possibility of investing in the two countries, Maud said that the Glaxo drug company and the Duperial chemical company are planning to invest $6 and $90 million respectively. Besides these firms, the British Gas company has already proposed investing $89 million in oil prospecting.

Asked about his role as ambassador in this type of business decisions, Maud said: "We generally allow bankers and businessmen to make decisions in what they want to invest."

Maud said, however: "During my term in office I will give priority to trade matters because Argentina has been a great market for our exports, which have largely decreased."

"There are many ways to reestablish our position," Maud added.

Concerning the visit to be made by Foreign Minister Domingo Cavallo and a group of businessmen to Great Britain this November, Maud said: "This visit will be important because it will help to promote imports to Great Britain which are larger than the British exports to Argentina."

He added: "It is favorable for the two countries to promote their own products."

Asked about the importance of the economic cooperation agreement signed between Argentina and the EEC countries, Maud said: "the investment funds, for example, are a measure that will help to promote an approach between Great Britain and Argentina within the EEC framework."

Maud said that British Airways, which has recently begun to operate in Argentina, "will try to provide regular service to the country."

In this regard he said that "we will try to reach an agreement with Cavallo so that British Airways can operate in Argentina under more firm conditions."

Finally Maud reiterated that "I want to play tennis with President Menem." He added: "I will wait for him to completely recover from the flu."

Brazil

Aylwin, Collor Issue Joint Economic Declaration

PY2707031890 Brasilia Domestic Service in Portuguese 2200 GMT 26 Jul 90

[Excerpts] In a joint declaration released by the Planalto Palace, Presidents Fernando Collor de Mello and Patricio Aylwin agreed to start a process of bilateral negotiations to sign, in the shortest possible time, a broad accord for economic complementation within the juridical structure of the Latin American Integration Association (ALADI), and thus create an ample market where products, services, and productive factors can be exchanged more easily.

Collor and Aylwin have signed an agreement for the development of programs and projects on scientific, technical, and technological cooperation. To this extent, the two countries will jointly prepare three-year programs, but always respecting the two countries' priorities, their plans, and strategies for social and economic development.

Another agreement signed by the two presidents is aimed at fighting illegal drug production and trafficking. Among other things, the agreement foresees the exchange of police and judicial data on drug producers, processors, traffickers, and other types of criminals linked to this illegal activity.

Later tonight, President Patricio Aylwin will host a banquet honoring President Collor at the Chilean ambassador's residence in Brasilia.

Before going to the Planalto Palace, President Aylwin visited the Federal Supreme Court, and then granted a news conference at Itamaraty. During the conference, Aylwin said that General Pinochet no longer has any political power in Chile. [passage omitted]

He said that Chile lives in a state of law and that the political prisoners are being released. He added that Gen. Pinochet occupies the position of Armed Forces commander in chief because the Constitution grants him this right, although he has no political power and is subordinate to the president of the Republic and to the defense minister, who is a civilian. He also said that the Chilean Government has a large social debt to the Chilean people who live in a state of poverty.

The Chilean president ended his talk with the journalists by saying that his country is willing to have an intense trade partnership with Brazil and the other Latin American countries.

Chilean Official Says Coup Not Possible

PY2607234890 Santiago Radio Chilena Network in Spanish 1700 GMT 26 Jul 90

[Text] Carlos Dupre, vice chairman of the Chamber of Deputies, has said in Brazil that the Chilean democratic process is being consolidated. He also rejected any possibility of coup d'etat in the country.

Dupre, who is part of President Aylwin's official delegation on his tour of Brazil, made remarks to the Manchete television network.

[Begin Dupre recording] There is no possiblity of a military coup in Chile because the majority of the people have advocated the return of democracy in Chile as the international public already knows. The current political condition shows that the democratic process is being strengthened.

We believe that the designation of a former president under a de facto regime as Army commander in chief represents a problem. Despite this fact, we believe that, given the conditions established in the Constitution, Chile is clearly moving toward strengthening the reborn democracy within its institutions. [end recording]

Dupre then said that the president of the Republic and not Pinochet is the person who makes decisions in matters related to the Chilean international policy.

[Begin Dupre recording] Pinochet does not make decisions on Chilean international affairs. Matters of Chilean international policy are handled by the government of President Aylwin with the participation of the majority in Congress. We will join international organizations, and as I have already told you, we will first join Latin American countries, especially those with which we have close political and economic relations. [end recording]

Dupre said that Chile has the political will to join other countries. He made it clear, however, that there are differences with Brazil in the area of the economic policy necessary to speed up the signing of agreements in matters related to tariffs and taxes. Nevertheless, we will try to make progress in this regard, Dupre concluded.

Itamaraty Wants Chilean-Type Solution for Cuba

PY2707005090 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 25 Jul 90 p 5

[Text] Top-ranking Foreign Ministry officials intend to take advantage of Chilean President Patricio Aylwin's visit to Brazil to request information on the coexistence between a democratically elected chief of state and a former dictator—Augusto Pinochet—who is now the commander of the Armed Forces. According to the designers of the Brazilian foreign policy, the current situation in Chile might be a harbinger for Cuba's future. It is obviously impossible to know who the Cuban Patricio Aylwin will be. From this viewpoint, however, Fidel Castro should do the same as Pinochet.

Says a high-ranking Itamaraty official: "Cuba is today the last major political problem of the continent." He is convinced that the so-called "biological solution "—the death of Fidel Castro, who has been in power for 30 years—should not be considered as a precondition for allowing Cuba into the growing bloc of democratic nations.

The source said that "the biological solution also seemed the only possible solution for Chile," adding that "history proved that it was possible to implement a transition process with Pinochet alive and at the head of the armed forces." Itamaraty also considers unfeasible any solution that the current Cuban leaders may regard as humiliating. "Pinochet left power without being humiliated," the source said, adding that "Fidel, for example, cannot be replaced by a representative of the groups of Cuban exiles who now live in Miami."

Debt Negotiation To Include Interest in Arrears

PY2607154890 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 25 Jul 90 p 3, Economic Section

[Text] Rio de Janeiro—Jorio Dauster, the official Brazilian foreign debt negotiator, yesterday disclosed that the Brazilian government owes $5.5 billion in interest on the foreign debt to private creditor banks. According to Dauster, Brazil is not going to pay any of this until it has fully renegotiated the foreign debt. He added that "currently our international reserves amount to a little more than $8 billion and it would make no sense to pay that interest because it reduce our reserves to unacceptable levels."

Dauster said that the Brazilian Government will negotiate the pending interest together with the entire debt because "we believe that the interest forms part of the entire negotiation." The debt negotiator commented that government experts are assessing a series of "tools" that might be proposed to the private banking sector.

Dauster said: "Among the tools of our negotiators who seek to reduce the debt with the private banks is the idea of repurchasing or rescheduling the debt through investments in the privatization program," adding that: "We are going to see what each individual creditor prefers."

However, Dauster said that the talks with the private creditor banks will be the last stage of the debt negotiation. He said that first we must negotiate with the IMF, then the World Bank, the IDB, and then the Paris Club. Dauster noted that "these negotiations entail the immediate opening of new credit lines." Brazil's foreign debt amounts to $114 billion and 90 percent of this represents loans to the public sector.

IMF experts will arrive in Brazil on 1 August but Thomas Reichmann, the IMF director for Latin American affairs, will only arrive in Brasilia on 5 August. Dauster disclosed that "this mission is coming to maintain the first contacts". He refused to reveal by how much the government intends to reduce the debt and only commented that "we are still looking into that."

Industrial Production Falls 10.5 Percent in May

PY2607153690 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 26 Jul 90

[Report by (Iomar de Oliveira) from Rio de Janeiro]

[Text] Industrial production throughout the country has fallen. In May production fell by 10.5 percent compared to May 1989.

According to a report released by the Brazilian Institute of Geography and Statistics [IBGE], the 10.5 percent fall in industrial production in May has resulted in a 5.3 percent reduction in industrial production between January and May 1990 compared to the same period in 1989.

The only positive result is the 2.4 percent indicator for the past 12 months. This is the lowest indicator since December 1989.

According to the IBGE, the negative monthly and accumulated indicators will continue to be negative in June, July, and August.

The IBGE report indicates that production has fallen in most sectors; the metallurgical sector with minus 21.8 percent and the chemical sector with minus 13.3 percent. These two sectors are responsible for more than half of the 10.5 percent fall in production.

* Current Status of Gubernatorial Races Viewed

90SM0182A Sao Paulo ISTOE in Portuguese 4 Jul 90 pp 26, 27

[Text] Collor is betting that, whether he backs candidates from the PRN [National Reconstruction Party] or candidates running on a coalition slate, he will be able to fill more than half of the governors' mansions with his men. Let us look at the candidates, state by state.

Acre

The candidates are Osnir A. Lima Filho of the PMDB [Brazilian Democratic Movement Party]; Edmundo P. de Almeida Neto of the PDS [Social Democratic Party]; Ruben Soares Branquinho from a coalition led by the PL [Liberal Party] and including the PRN, the PTR [Renewal Labor Party], the PTB [Brazilian Labor Party], the PDC [Christian Democratic Party], the PFL [Liberal Front Party], and the PMN [expansion unknown]; and Jorge Nei Macedo Neves, backed by an alliance of the PT [Workers Party] with the PDT [Democratic Worker's Party], the PCB [Brazilian Communist Party], and the PC do B [Communist Party of Brazil]. The second round is likely to be a contest between Branquinho, who is Collor's candidate, and Osnir Lima. Without an alliance, Lima might yield to Vianna, who is in a position to gain strength.

Alagoas

The candidates are Geraldo Bulhoes of the PSC [expansion unknown]; Renan Calheiros of the PRN; and Antonio Cerveira de Moura of a coalition led by the PT that includes the PCB, the PC do B, and the PSB [Brazilian Socialist Party]. Collor's friend Renan Calheiros is the favorite, but has to be concerned about the rise of Bulhoes, who is backed by former Governor Suruagy.

Amapa

There are seven candidates: Anibal Barcellos of a coalition that includes the PFL, PRN, PL and PMN; Gilson Rocha of a coalition led by the PT and including the PSB, PCB, and PC do B; Abelardo Vaz, backed by an alliance of the PDS and PTB; Guairaca Nunes of the PDC; Antonio Cabral of the PDT; Jose Maria Papaleo of Prona; and Bernardo Rodrigues of the PMDB. Now that former President Jose Sarney is running for the Senate on the PMDB ticket, Rodrigues may make it into the second round. His likely opponent would be the PFL candidate, who has the support of the federal government. But the coalition headed by the PT could also surprise people in the first round.

Amazonas

The candidates are Gilberto Mestrinho of a PMDB/PDC-PFL alliance; Deuzamir Pereira of the PRN; and Wilson Alecrim, backed by an alliance led by the PSDB [Brazilian Social Democracy Party] and including the PC do B, the PT, and the PSB. Mestrinho obtained the endorsement of Amazonino Mendes, against the wishes of Minister [of Justice Bernardo] Cabral. He is likely to dispute the second round with Alecrim.

Bahia

The candidates are Joaci Fonseca de Goes of the PSDB; Antonio Carlos Magalhaes, backed by a PFL-led alliance that includes the PDS, PTB, PL, PDC, and PST [Social Workers Party]; Jose S. Gabrielli de Azevedo of the PT; Roberto Figueira Santos of the PMDB; and Luis Pedro Irujo of the PRN/PTR. The second round will probably pit the two former governors against each other. ACM entered the race with the blessing of Planalto Palace, which was unwilling to risk trying to win with Irujo. If he gets through the first round, Santos will be a tough opponent, backed by the Left.

Ceara

The candidates are Ciro Gomes, backed by PSDB-led alliance that includes the PDT and PDC; Paulo Lustosa, running with a PFL-led alliance that includes the PDS, PMDB, and PTB; Joao Alfredo, of a coalition of the PT, PCB, PC do B, and PSB; and Aguiar Junior, of the PRN.

Ciro Gomes was once considered unbeatable. In the fight between the colonels and Governor Tasso Jereissati, Paulo Lustosa should gain ground, with generous support from Collor.

The Federal District

The candidates are Carlos Saraiva e Saraiva, of the PT; Elmo Serejo of the PL/PMDB alliance; Joaquim Roriz of the PTR/PRN coalition; and Mauricio Correa of the PDT. Despite the risk of a veto, former governor Joaquim Roriz is a strong contender. The PT's good showing in the presidential election favors Saraiva, but the Left is backing Correa.

Espirito Santo

The candidates are Jose Ignacio Ferreira of the PST; Rogerio Medeiros of the PT-led coalition with the PSB, PCB, and PC do B; Albuino Cunha de Azeredo of the PDT; Paulo Loureiro of the PRN/PDC coalition; and Antonio Carlos Dutra of the PL. With the support of Collor, Senator Jose Ignacio would easily reach the second round if he had not been abandoned by Gerson Camata's PDC and by the PSDB that he helped to found. His leading opponent is Medeiros.

Goias

The candidates are Iris Rezende Machado of the PMDB; Paulo Roberto Cunha of the PDC/PFL/PRN alliance; Iram Saraiva who is backed by a PDT-led alliance with the PSDB and PC do B; and Valdi Camarcio of the PT. A former minister and former governor, Rezende also hopes to be elected with Collor's support. But during the first round he'll probably have to share the "collorido" votes with Cunha, who has won the endorsement of the PRN.

Maranhao

The candidates are Edison Lobao of the PFL-led alliance with the PSC and PTB; Joao Castelo, backed by a PRN-led coalition with the PMDB, PDC, PSDB, PDS, and PL; and Conceicao Andrade, supported by an alliance of the PSB, PT, PDT, PCB, and PC do B. With the backing of the Sarney family, Lobao will split the conservative votes with Castelo, and this increases the Left's first-round chances.

Mato Grosso

The candidates are Agripino Bonilha Filho of the PMDB; Jaime Campos of the PFL-led alliance with the PTB, PDS, PL, and PTR; Luis Escalope of the PT-led coalition with the PDT, PSD [Democratic Social Party], PCB, and PC do B; Luis Soares of the PSDB; and Antonio Amaral of the PRN. Collor's support will be vital in order for Jaime Campos is to get into the second round. Besides the fact that the PRN is running its own candidate, the PMDB has a strong candidate and the PT has managed to put together a broad coalition to oppose him.

Mato Grosso do Sul

The candidates are Pedro Pedrossian of the PTB-led coalition with the PRN, PST, PDS, PDC, PL, and PSD; Gandi Jamil of the PDT/PMDB/PTR alliance; and Manoel Bronze, who is supported by the PT, PSB, and PC do B. Pedrossian is the favorite, but Jamil still has a chance to become governor. In the second round he would have the backing of the Brazilian Popular Front.

Minas Gerais

The candidates are Pimento da Veiga, of the PSDB-led alliance with the PDT and PMN; Virgilio Guimaraes of the PT-led coalition with the PSB, PCB, and PC do B; Helio Garcia of the PRS [Social Reforms Party] alliance with the PL and PTB; Ronan Tito of the PMDB; Oscar Correa Junior of the PFL; and Helio Costa of the PRN-led coalition with the PTR, PSC, and PSD. The final contest will probably be between Garcia and Pimenta. But Helio Costa may gain ground with Collor's support. Another candidate with a chance of reaching the second round is Guimaraes, if the PT can distinguish itself in its opposition to the federal, state, and municipal governments.

Para

The candidates are Jader Barbalho, of the PMDB/PST coalition; Sahid Xerfan of the PTB-led alliance with the PDS, PFL, PRN, and PL; and Almir Gabriel of the PSDB/PSB/PDT/PCB/PC do B/PT coalition. Barbalho lost the support of the governor to former Mayor Xerfan, whom Collor prefers and who is likely to contest the second round with Gabriel as his opponent.

Paraiba

The candidates are Genival Veloso de Franca, of the PT-led alliance with the PSB, PCB, and PC do B; Ronaldo Jose da Cunha Lima of the PMDB/PSDB coalition; Joao Agripino Neto of the PRN/PDS coalition; and Wilson Leite Braga, who is backed by the PDT-led coalition with the PL, PFL, PSC, PTR, and PTB. Braga's alliance with conservative parties should keep Agripino, who has Collor's support, out of the second round. Now former Mayor Cunha Lima has more chance of being elected.

Parana

The candidates are Roberto Requiao of the PMDB-led coalition with the PMN, PST, and PT do B [Workers Party of Brazil]; Jose Carlos Martinez of the PRN-led coalition with the PFL, PDC, and PSC; Henrique Pizzolato of the PT/PSB alliance; Lindolfo Junior of the PL; and Jose Richa of the PSDB-led coalition with the PCB and PC do B. Richa has a strong chance of becoming governor again, especially if he gets the backing of the PDT. His principal opponent is Requiao, the governor's candidate. Martinez may reach the second round if he has effective support from Collor.

Pernambuco

The candidates are Joaquim Francisco, backed by the PFL-led coalition that includes the PRN, PST, PTR, PDS, and PSD; Jarbas Vasconcelos of the PMDB/PDT/PSB/PCB/PMN/PC do B alliance; Paulo Rubem Santiago of the PT; Maxwell Sampaio of the PTB/PL alliance; and Alexandre Santos of the PSL [expansion unknown]. The final battle will probably be between Joaquim Francisco and Jarbas Vasconcelos. Both have put together broad-based alliances. The former has the advantage of Collor's support and should be able to count on the endorsement of the PTB and the PL in the second round.

Piaui

The candidates are Wall Ferraz, of the PSDB-led coalition with the PMDB, PRN, PDC, PL, and PTR; Antonio Freitas Neto of the PFL-led alliance with the PDS, PSC, and PTB; and Antonio Neto of the PT-led coalition with the PDT, PSB, and PC do B. The race is pretty evenly balanced between the PSDB candidate, who has the support of the governor and of Collor, and the coalition headed by the PFL.

Rio Grande do Norte

The candidates are Lavoisier Maia of the PDT/PMDB/PTB/PST coalition; Salomao Gurgel of the PT-led coalition with the PSB and PC do B; Ana Catarina Alves of the PTR; and Jose Agripino Maia of the PFL-led alliance with the PCB, PL, PDS, PRN, PDC, and PSDB. This time the long-time feud between Alves and Maia has taken on new colors. Against Collor's candidate Jose Agripino, former Minister Aluizio Alves is backing Lavoisier, having lost faith in his daughter Ana.

Rio Grande do Sul

The candidates are Alceu Collares, of the PDT/PSDB/PC do B coalition; Tarso Genro of the PT-led alliance with the PSB and PCB; Nelson Marchezan of the PDS/PFL/PL/PRN/PSC coalition; and Jose Fogaca of the PMDB. Brizola's charisma could help Collares to win the first round. But the chances are very good that Marchezan, who has Collor's support, will be running against Fogaca in the second round.

Rio de Janeiro

The candidates are Leonel Brizola, backed by the PDT, PCB, and PC do B; Nelson Carneiro, of the PMDB/PFL/PDS/PTB/PRN coalition; Jorge Bittar of the PT/PSB coalition; and Ronaldo Cesar Coelho of the PSDB. Brizola has a chance for victory in the first round, even without the backing of the PT and PSDB. His only problem will be how to counter the union of the conservative parties around Carneiro.

Rondonia

The candidates are Orestes Muniz Filho, of the PL-led coalition with the PMDB, PSB, PMN, and PDC; Olavo Gomes Pires Filho, supported by the PTB-led alliance with the PDT, PDS, PRP [Revolutionary Party of the Proletariat] and the PST; Oswaldo Pianna, of the PTR/PRP/PSC coalition; and Leonidas Rachid Jaudy of the PRN. Senator Olavo Pires leads the race, and is supported by Planalto Palace. Closest behind him is Deputy Oswaldo Pianna. But Muniz is still a strong competitor.

Roraima

The candidates are Ottomar Pinto, of the PTB/PMDB alliance; Romero Juca, of the PFL; and Neudo Campos, of the PRN. Former Governor Romero Juca has been leading in the polls, but the Planalto Palace's candidate, Ottomar, has a chance to beat him.

Santa Catarina

The candidates are Nelson Wedekin, backed by the PDT, PT, PSB, PCB, and PC do B; Vilson Kleinubing of the PFL-led coalition with the PDS, PL, PTB, PDC, and PSC; Paulo Afonso Viera of the PMDB, and Dirceu Carneiro of the PSDB. Americo de Farias, PRN, lost the support of Collor to Kleinubing, who is likely to run in the second round against the leftist Wedekin, who may gain the endorsement of the PSDB and PMDB.

Sao Paulo

The candidates are Luis Antonio Fleury Filho, backed by the PMDB coalition with the PL and PFL; Paulo Maluf, of the PDS/PRN/PTB/PDC coalition; Mario Covas, of the PSDB; Plinio de Arruda Sampaio of the PT-led coalition with the PSB, PCB, and PC do B; Almino Affonso of the PDT/PMN alliance; and Adhemar de Barros Filho, of the PRP-led coalition with the PD [Democratic Party], the PTR, the PT do B, and the PCN [National Community Party]. Maluf and Covas are the front-runners, supported by those who voted for them in the presidential elections. But Fleury should benefit from Quercia's public works projects. Sampaio could also be a surprise. And Silvio Santos has a place reserved for him by Miguel Mendonca of the PST, one of the three candidates with no chance at all.

Sergipe

The candidates are Jose Eduardo Dutra, of the PT/PSB/PC do B coalition; Joao Alves Filho, backed by the PRN-led alliance with the PFL, PDS, PMDB, PL, PSDB, and PDC; and Carlos Alberto Menezes of the PDT. Former Minister Joao Alves has the support of Planalto Palace and can count on a broad-based coalition to help him battle the candidates from the Left.

Tocantins

The candidates are Moises Abraao of the PDC; Ari Valadao of the PDS, and Moises Avelino of the PMDB.

The race is still muddled in this new state. The PMDB is beginning to move out in front, but Abraao will have Collor's help.

Chile

Antidrug-Trafficking Measures To Be Reinforced

PY2707024690 Santiago LA TERCERA DE LA HORA in Spanish 19 Jul 90 p 29

[Excerpts] Valparaiso—Drug trafficking was the most delicate subject connected with border control which was discussed during the meeting of the Advisory and Consulting Committee of the Finance Ministry that took place yesterday.

The meeting, which is held once a year, took place in the National Customs Services Directorate in Valparaiso. It was attended by Benjamin Prado, main representative of the host organization; General Alfredo Nunez, director of Carabineros Order and Security; Raul Urzua, director of Port Enterprise of Chile; and representatives from the Operations Division of the Maritime Territory and Merchant Marine Directorate, the "Commodore Arturo Merino Benitez" international airport, the Aeronautics Directorate, and the Carabineros Border Division, among others. [passage omitted]

The subject of drug trafficking was analyzed for more than a third of the session. Benjamin Prado told journalists that although this was not the main subject, it was the most delicate one because of the importance it currently has throughout the world. [passage omitted]

He added that although the customs services do not have a specific mission regarding the drug trafficking problem, given the importance of the subject and its undeniable negative consequences for the community, a specialized unit will be created to try to reduce these problems.

Following the meeting, LA TERCERA spoke with Gen. Alfredo Nunez, who revealed the important news that the Carabineros leadership has decided to establish anti-drug trafficking OS-7 units in Calama, Puerto Montt, and Punta Arenas.

"We have reinforced several systems to combat drug trafficking beginning with the northern region where there is evidence that drug trafficking increased the most," Gen. Nunez said. [passage omitted]

Official Rules Out Use of Nuclear Power Plants

PY2707005890 Santiago EL MERCURIO in Spanish 19 Jul 90 p C-9

[Report by Milton Saavedra M.]

[Excerpts] Talca—National Energy Commission Chairman Jaime Toha Gonzalez has said that the government will have to consider alternative electric power generation systems if the drought continues or if there is another drought in the future. He did rule out, however, the operation of nuclear power plants. [passage omitted]

Toha said that the drought has lasted for three consecutive years and that this has compelled the government to devote careful consideration to the issue, in case the drought continues or in case it happens again the future. "It is necessary to consider other alternatives for producing power in the case of the hydroelectric plants that are more exposed to the drought," he noted.

Concerning the possible use of nuclear power plants, he said that Chile has other resources, like thermoelectric power plants, which are more appropriate. "Nuclear power plants are not among our scheduled projects," he said. [passage omitted]

Colombia

Drug Trafficker's Extradition to U.S. Approved

PA2607172090 Bogota Radio Cadena Nacional in Spanish 1200 GMT 26 Jul 90

[Text] Bogota—The Justice Ministry has approved sending Luis Alfonso Leon Sanchez to the United States. Leon Sanchez, who belongs to a group of 11 Colombians under arrest by DIJIN [Director of Judicial Police and Investigations], was sought for extradition because he was accused of drug trafficking.

Official spokesmen told this station that Leon Sanchez, aka Punpo, will be sent to the United States whenever the Justice Ministry decides, using the administrative rules in effect since 18 August 1989 following Senator Luis Carlos Galan Sarmiento's murder.

Ten more Colombians, in addition to Leon Sanchez, are in DIJIN cells awaiting approval for extradition to the United States. Since extradition to the United States was reestablished on 18 August, 28 Colombians have been arrested, out of which 17 have already been turned over to the authorities and courts; they were charged with drug trafficking and planning criminal activities.

Liberal Party Legislator Killed in Cucuta

PA2707030090 Madrid EFE in Spanish 0132 GMT 26 Jul 90

[Text] Bogota, 26 Jul (EFE)—The police have officially reported that Jaime Salazar Robledo, a ruling Liberal Party member of the Chamber of Representatives, was assassinated today by a gunman in Cucuta, capital of Norte de Santander Department.

The police in Cucuta, located on the border with Venezuela, 650 km northeast of Bogota, said that Salazar Robledo was shot by a gunman riding a motorcycle.

The Cucuta authorities said that Salazar Robledo was taken to a hospital, but he was dead on arrival.

He had been re-elected to the Chamber of the Representatives in the legislative and municipal elections held in Colombia on 11 March.

Paraguay

Government Appoints Foreign, Justice Ministers

PY2607203490 Asuncion Cerro Cora Sistema Nacional de Television in Spanish 1730 GMT 26 Jul 90

[Text] Through Decree No. 6,508, which was signed this morning by President Rodriguez, the Executive Branch has appointed Hugo Estigarribia as justice and labor minister. Estigarribia was until today Interior Ministry under secretary. He replaces Alexis Frutos Vaesken.

Through the same decree, the Executive Branch has appointed Alexis Frutos Vaesken as foreign minister. He replaces Luis Maria Argana. Frutos Vaesken, who was until today justice and labor minister, had recently been appointed as acting foreign minister.

Relations With EEC, East Europe Promoted

PY2607233090 Asuncion EL DIARIO in Spanish 26 Jul 90 p 12

[All quotation marks as published]

[Excerpt] Justice and Labor Minister Alexis Frutos Vaesken, who is acting foreign minister, told the press yesterday that there are plans to open an embassy in Vienna, Austria. The Foreign Ministry will also promote the relations between Paraguay and the European Economic Community (EEC) and with East European countries, which have recently liberated themselves from the communist yoke and which have adopted the social market economy.

Frutos Vaesken made the announcement after another long working meeting whose agenda included the general features of the proposed 1991 Foreign Ministry budget. The draft budget will be submitted to the Finance Ministry.

Asked whether he would agree to take the post of foreign minister in case he received an offer from President Rodriguez, Vaesken replied: "I surely would." As for the new budget, he said that "it includes provisions for a good structure, which will undoubtedly give the new minister the necessary flexibility for properly filling the diplomatic positions in the main countries. He said, however, that it is necessary to seriously streamline the distribution of personnel because several departments are overstaffed while others do not have enough people. For the time being, however, since I am acting minister I cannot make major decisions either on international relations or on personnel matters." [passage omitted]

General Says Forces Not Involved in Politics

PY2607225490 Asuncion ABC COLOR in Spanish 26 Jul 90 p 5

[Text] Division General Ramon Humberto Garcete, commander of the 1st Army, said yesterday: "We are not the Armed Forces of any political party, faction, or sector; we are the Armed Forces of the nation, of the entire country, of all Paraguayans." He added: "Our beloved people may rest fully assured that the Armed Forces shall not become involved in any sort of movement against peace, freedom, and democracy."

Gen. Garcete said that the Armed Forces will do everything in their power to help achieve total democratization in our country. He spoke at the 1st Army headquarters after the beginning of a polo tournament for international brotherhood between the Paraguayan and the South African Armies. The opening ceremony was attended by General Andres Rodriguez, who is the Paraguayan president and also the Armed Forces commander in chief.

Gen. Garcete added: "All the people have full confidence in the objective chosen by the government. The people also support and are perfectly well aware of what Gen. Rodriguez wants: to lead our beloved fatherland to real democracy, freedom, social justice, and peace, so that our country may move forward toward progress and so that all Paraguayans may have a chance to reach the happiness that they deserve."

He said that the Armed Forces will strictly comply with the instructions of the commander in chief. He added: "As I said, if we want to live in peace, the Armed Forces will guarantee the peace for our beloved people, who have endured many sacrifices."

He went on to say that the men of arms will extend their full support to Rodriguez so that he may fulfill his promise to democratize the nation. Garcete explained that "one should also understand that democracy cannot be built in one or two years; neither can the president alone do it. It is a task to be accomplished with the cooperation of all political parties, of all the inhabitants of our beloved fatherland, and—obviously—with the support of the Armed Forces. The Armed Forces will guarantee that there will be an atmosphere of real peace and freedom, so that the country may attain those noble and sacred objectives."

Gen. Garcete emphasized: "I can assure you that the Armed Forces belong to the nation, to the country, and to all Paraguayans. We have repeatedly said that the Armed Forces are undergoing an institutionalization process."

Concerning the position of the men of arms, Gen. Garcete said: "We are not the Armed Forces of any specific faction or sector. We must serve the entire nation and you can rest fully assured that the Armed Forces shall not become involved in any sort of movement against freedom, peace, and democracy."

"On the contrary," he went on, "we are increasingly united, and stronger, and we have closed ranks behind a single ideal, complying with the instructions from the commander in chief to institutionalize the Armed Forces and to become better soldiers by improving our skills in the barracks, which is our duty."

Asked about some rumors from political sectors that some commanders support different candidates for the internal party elections, especially in the Colorado Party, Gen. Garcete replied: "We cannot prevent politicians from saying what they want to say. But I reiterate that this will not prevent the Armed Forces from thoroughly fulfilling the instructions from their regular commanders and from their commander in chief, who is the Armed Forces'top authority."

"Therefore, I do not believe that ... perhaps someone—including ourselves—may feel sort of inclination toward A or B, or may have friendly ties with him, because in Paraguay we are all friends, and we all know each other. I reiterate, however, that the Armed Forces belong to the nation, to the entire country, and to all Paraguayans. We will comply with our duty and we will help our commander in chief achieve the objectives that he has set for his government," Garcete stressed.

He added that now more than ever, the Armed Forces are united and that they have skilled officers and noncommissioned officers who are discharging their duties in their respective barracks.

He added: "There will be no officers or noncommissioned officers at any political meeting, neither as speaker nor as committee member."

He stressed that the military will remain in their barracks "and will cooperate from their barracks and will continue to fulfil the noble mission of training our citizens, turning them into useful persons for our fatherland and for themselves at the end of their military service."

Cavalry Commander Stresses Respect for Elections

PY2607222890 Asuncion ABC COLOR in Spanish 26 Jul 90 p 5

[Text] Yesterday we asked Brigadier General Lino Cesar Oviedo, commander of the 1st Cavalry Division, whether the Armed Forces will respect the people's decision in an election if the Colorado Party is not the winner. This is what he said: "Democracy demands that electoral results be respected." He added: "We respect the laws and the constitution. Furthermore, we are participants in this democratic opening, and democracy demands respect for electoral results."

He said: "The Armed Forces belong to the nation; therefore, it does not matter to us who wins the elections. We respect the laws and the national constitution, and especially the people's will."

Oviedo emphasized the current democratic opening in our country saying that "the countries which have been traditionally friendly are finally opening their doors to us."

Asked about the dismissal of Luis Maria Argana as foreign minister Gen. Oviedo said: "I do not believe that the job was taken away from him. Argana said that he reached an agreement with the president to leave his job to be more effective in doing the difficult job of running the party. This is what I heard, and this is how I can answer your question.

Oviedo was reminded that Argana said a few days ago that if necessary he would plot to prevent the party's fall from power. In this regard Oviedo said: "According to an enlarged version of his explanation which I read in the paper, Argana said that he made that comment in answer to remarks made by leaders of another party in San Jose de los Arroyos."

Asked if the cavalry's loyalty to President Andres Rodriguez expressed on 24 July in the 1st Cavalry Division also represents the loyalty of the Armed Forces, Oviedo said: "Paraguayan Army Day was celebrated on 24 July. This is when the new conscripts who are going to fulfill their military service take their oath, and on this occasion it is a common practice to deliver a speech and to reaffirm loyalty to our superiors. Therefore, what we did is an expression of support for our commander in chief, and this is something we always do. I would like to reaffirm that loyalty, and I am sure that it represents the voice of all the members of the Armed Forces."

Work Permits for Security Companies Canceled

PY2607220290 Asuncion EL DIARIO in Spanish 26 Jul 90 p 16

[Excerpt] Through resolution No. 334, the Interior Ministry has canceled the operation authorizations of several private security companies and watchman services. The measure affects approximately 500 workers who may eventually increase Paraguay's high unemployment rate, trade unions reported.

The administrative measure is signed by Interior Minister Orlando Machuca Vargas, and it is dated 23 July 1990. The resolution states the following reasons for adopting this measure: "given a report by the police of this capital and government security organizations regarding the proliferation of private companies providing watchman services, most of which lack legal authorization or adequate experience to carry out such activity, and which, consequently, represent a danger to the safety of individuals and to public order."

"Considering the need to establish a legal framework for the activities of these companies, due to their delicate mission, and given that it has been verified that these companies committed irregular procedures. [sentence as published] The use of weapons by parapolice organizations implies a risk to the public..." It has thus been

decided, among other reasons, to cancel the resolutions that authorize several of these companies to work in the country. [passage omitted]

Peru

Lima Prepares for Presidential Inauguration

PY2607184090 Buenos Aires DYN in Spanish 1500 GMT 26 Jul 90

[Text] Lima, 26 Jul (AFP)—The wave of terrorist attacks in this capital today gave it an atmosphere of insecurity which the authorities are trying to counter by announcing strict antiterrorist measures in the wake of the presidential inauguration that will be attended by seven Latin American chiefs of state.

Downtown Lima, which is greater than 100,000 square meters, will host all the activities of the foreign visitors. The measures adopted by the Peruvian authorities will turn it into a virtual fortress that will be patrolled by 10,000 policemen.

Moreover, thousands of soldiers will also be in charge of protecting the foreign delegations arriving in Lima, in order to thwart any terrorist attack attempt by the Maoist Shining Path and the Guevarist Tupac Amaru Revolutionary Movement (MTRA).

The presidential inauguration of Alberto Fujimori, who was elected last June, will take place next Saturday, 28 July, in Congress. The ceremony will be attended to by Argentine President Carlos Saul Menem, Bolivian President Jaime Paz Zamora, Colombian President Virgilio Barco, Chilean President Patricio Aylwin, Cuban President Fidel Castro, Guatemalan President Vinicio Cerezo, and Venezuelan President Carlos Andres Perez.

Outgoing Defense Minister General Julio Velasquez has announced that all necessary measures to safeguard public order have been taken, while police spokesmen have informed the local media that they will implement "dissuasive measures to stop the terrorists."

Moreover, President Alan Garcia on Wednesday, 25 July, said that "the terrorists are competing with each other to see who is more successful in tarnishing the presidential inauguration ceremony." Garcia made this statement after inspecting the minor damage caused by a home-made bomb that exploded outside Government Palace.

A terrorist commando, which managed to break through the tight military police guard in a car with a home-made mortar, managed to launch a small mortar that hit a huge iron lamp post. The bomb only broke some of the post's glass lamps and bulbs.

However, the government's tight security measures were also easily broken by three MRTA terrorists who on Wednesday, 25, occupied the DPA office in Lima for 30 minutes.

Some 20 terrorist attacks perpetrated during the past week in Lima against public and private assets have compelled the authorities to adopt a series of security measures that have disrupted normal activities in Lima. Security measures have doubled due to the change of government.

Vehicles are prohibited from circulating in the downtown area during the daytime and, as of next Friday 27, this measure will also apply during nighttime. Citizens have been recommended to carry documents and not carry packets, while police light tanks and policemen armed with machine guns are guarding the streets.

On the day of the presidential inauguration ceremony, pedestrians will be prohibited and a special authorization granted by the Foreign Ministry will be necessary to enter the downtown area. Thousands of street merchants on the Lima sidewalks have been temporarily expelled from "their zones" and will not be allowed to sell their wares in neighboring streets.

In addition to their accustomed dynamite sticks and home-made bombs, last week terrorists resorted to incendiary bombs that can burn up all the furniture of a large building, as was the case in two shopping centers in Lima last Friday, 20.

A police source that recalled the Shining Path's tendency to attack premises belonging to Fujimori's independent movement Change 90, said that the terrorists plant their incendiary bombs in shopping centers and between seats in movie theaters.

"The Terrorist Hunt" announced by the outgoing authorities with the massive arrest of people without personal documents and a door-to-door search in the shantytown areas, and "a tightening of security measures at the embassies, public buildings, and hotels" is the final phase of the antiterrorist strategy.

On Saturday, 28 July, according to the outgoing authorities, the Lima downtown area will be deserted and militarized. However, it has still not been stated how President Fujimori's followers—mostly street merchants—will enter the downtown area to celebrate his swearing in as is traditional.

Economic Situation, Fujimori's Plans Viewed

PY2607162290 Buenos Aires DYN in Spanish 2016 GMT 25 Jul 90

[Text] Lima, 25 Jul (AFP) — Today several economists estimated that, at best, the inflation rate for August will be 250 percent if the new Peruvian President Alberto Fujimori applies a severe adjustment as soon as he assumes the Presidency on 28 July.

Juan Hurtado Miller, the new prime minister and economy minister, has acknowledged that "there will be a recession" if such a program is implemented.

He defended the program, however, stressing that the "supreme goal" is to stabilize the Peruvian economy within 18 months, to bring the current hyperinflation down to 10 percent per year from the current nearly 3,000 percent, and to reintegrate Peru into the international financial system.

Both Fujimori and Hurtado, who are agronomists—the former a specialist in mathematics and the latter an economist—have rejected a shock [preceding word in English] formula because it would worsen the current social and economic chaos.

With this banner Fujimori defeated Mario Vargas Llosa, a writer and aspiring liberal, in the 10 June elections.

According to analysts, it was a battle between two candidates who were not professional politicians, and it also revealed that Peruvians censured the political parties and their leaders for their incapability to resolve the urgent problems of the economic collapse, terrorism, and poverty with which this nation is burdened.

Neither Fujimori nor Hurtado are hiding their concern over the social cost of a severe adjustment in view of the grim inheritance that the populist government of Alan Garcia will leave them after a five-year period in which Peru sunk into the worst crisis in its history.

Regarding the social aspect, currently 81 of every 1,000 children in Peru die before they are one year old, and in the poorer areas the rate is 120 in every 1,000. At the beginning of the last decade the state spent $49 per capita in social programs. In 1989 this figure had dropped to $14 per capita according to official estimates.

Hyperinflation has been unleashed. It is estimated that inflation will reach approximately 60 percent in July. On 24 July inflation was estimated at 3.3 percent according to a private group which indicated that in just one day Peruvian inflation was equal to the annual inflation of the FRG.

According to the exchange houses, the free dollar was quoted at 180,000 intis per dollar with a tendency to continue to increase and it could surpass the 200,000 inti barrier on the day that the government changes hands. On the same day the official dollar was quoted at 51,746 intis.

Due to the lack of credibility of the official statistics on the seriousness of the Peruvian crisis, the majority of enterprises and banks resort to private institutions for information and for ways to take precautions.

The La Moneda private consortium sums up five years of Garcia's monetary policy thus: Accumulated inflation amounts to 1,334,782 percent; the Central Bank's primary issuance of money grew by 313,430 percent; and the required reserves increased by 80 percent, leaving the banking system without liquidity.

It also comments that "the banks are only viable in theory."

In addition, these disastrous five years leave Peru with a foreign debt of approximately $20 billion; isolated from the financial circuits, the tax pressure has fallen to three percent of the GDP; net reserves show a negative balance of $150 million; a generalized recession; high food prices; and with gasoline, water, and electricity rationing.

The Private Support Institute [Instituto Privado Apoyo] believes that the lag between the controlled prices and rates with respect to the real level of July 1985 when Garcia assumed the presidency, is greater than 500 percent.

The institute indicates that the minimum adjustment that Fujimori will have to make will probably be in the region of 250 to 300 percent.

Sources close to Fujimori, who has interpreted the vote of the people by forming a multiparty cabinet with technicians who have not necessarily sought political agreement with the leaderships of parties, believe that his economic program will not be an orthodox IMF program nor will it be an unorthodox gradualist program, like Garcia's, which failed.

But they do guarantee that Fujimori wants to pay what is owed to the IMF, World Bank, and IDB. Peru owes approximately $2 billion in late payments to these organizations.

In June this topic was discussed by Fujimori and representatives of the three organizations seeking a bridge loan that will allow the country to pay its late payments and to reopen international lines of credit for its government.

Several economic sources have indicated that the first measures to stabilize the economy to be adopted by Fujimori include an increase in the price of gasoline and public rates. Currently in Peru a one liter bottle of soda costs 74,000 intis ($0.50) and a liter of gasoline costs 5,000 intis ($0.04).

At the same time he will most probably impose special taxes to quickly collect some money, increasing the pressure to nine or 10 percent of the GDP, and he will only maintain subsidies to socially assist the poorer sectors.

The devaluation percentage has not yet been determined nor have his advisers wanted to estimate whether it will be above the current exchange rate.

Indicating that at best the August inflation rate could amount to 250 percent, several economists have also estimated that in the most extreme case it could reach between 800 and 1,000 percent during the first month of Fujimori's government. Felipe Ortiz de Zevallos, one of the most reputed economists, has stated that "it depends on how severe the adjustment is."

Minister Named; Change 90 Official Resigns

PY2607193690 Lima Television Peruana in Spanish 1830 GMT 26 Jul 90

[Text] We now have this last-minute report.

Lawyer Augusto Antonioli Vasquez has been named justice minister of Alberto Fujimori's government. Prime Minister-designate Juan Carlos Hurtado Miller gave this piece of news to the "60 Minutes" program a few minutes ago.

Hurtado also announced that Jorge Chavez has resigned as the chief of Change 90's government plan. He has been replaced by economist (?Luis Bada).

Chavez submitted an evaluation of the president-elect's economic plan to Hurtado.

This has been a last-minute report.

President Garcia Bids Farewell to Peruvian Army

PY2607143690 Lima Television Peruana in Spanish 1100 GMT 26 Jul 90

[Excerpts] President Alan Garcia has ratified his commitment with the Peruvian Army during a ceremony in which he delivered military materiel and communications equipment to replace that which has been used in the struggle against terrorism.

Alan Garcia was welcomed at the Army headquarters by General Julio Velasquez Giagarini, the defense minister and commander in chief of the Army, and received appropriate military honors. President Garcia then took a seat on the official podium from where he witnessed the blessing of the new equipment by the Army chaplain.

In his speech, Garcia said that he had come to voice his gratitude for the permanent, material, and spiritual support received from the glorious Peruvian Army. [passage omitted]

After his farewell speech, President Garcia inspected the materiel which includes bullet-proof jackets, various types of radio equipment, a modern helicopter [not further specified], and various vehicles.

The president then bade farewell the Peruvian Army by kissing the war flag. The ceremony ended with the Peruvian Army anthem which was also sung by the chief of state. [passage omitted]

President Garcia Discusses Central Bank Reserves

PY2707032890 Lima Television Peruana in Spanish 0100 GMT 27 Jul 90

[Excerpt] During a visit to the Peruvian Central Bank, President Alan Garcia confirmed that the bank has $960 million in fixed assets, of which $787 million are in gold and silver bars kept in the bank's vault. The bars have been neither mortgaged nor pawned, and they are ready for use by the new government.

The president observed the vault and other Central Bank facilities accompanied by the bank's general manager and other high-ranking officials, who provided information on the bank reserves.

[Begin Garcia recording] Messrs. journalists: Today I came to visit the executive board of the Central Reserve Bank to convey to the bank president, vice president, and general manager my thanks for the important help that the government has received from this institution for the economic and general management of the nation.

On 28 July 1989 I told congress that we would leave at least $800 million in reserves for the next government. Today I have come here to confirm, with you and in front of the entire country, that the Central Bank's total assets today amount to $969 million, according to the following breakdown: The bank has—and we will soon see it in the vaults—$771 million in gold, in physical gold, in bars that are as good as gold because they can be immediately sold or pawned. As is proven by this document, this $771 million in gold bars has been neither mortgaged nor pawned. Consequently, they are freely available to the Central Bank.

In addition, as we will see, the bank has $85 million in silver bars, which can also be sold or swapped; that is, they can be used as guarantee for a loan. Neither have those silver bars been mortgaged or pawned.

The bank also has $112 million on deposit in banks. You will find a detailed list of those banks on the second page of the document that I gave to you.

This adds up to $969 million, of which $182 is being used for commercial importation operations. Consequetly, the net balance, which is freely available to the Central Bank and to the next government amounts to $787 million.

I would like to stress that Article 82 of the Central Bank's organizational charter sets forth that the bank's minimum asset should be equivalent to 25 percent of the total value of imports of the previous six-month period. During the past six months, this 25 percent of the total value of imports has amounted to $310 million. This means that at this moment, the bank's reserves—which should stand at least at $310 million—stand at $969 million.

I believe that this is very important because it shows that the bank's reserves can guarantee the payment of imports of a period of more than four months.

If we consider only the net assets, and if we divide them by $200 million which is the cost of monthly imports that Peru needs, we see that we can guarantee four months of imports.

This means that the next government will have tranquillity and will not have to adopt traumatic measures. [passage omitted] [end recording]

Marine, Policemen Die in Terrorist Attacks

PY2607194690 Madrid EFE in Spanish 1506 GMT 26 Jul 90

[Excerpt] Huaraz, Peru, 26 Jul (EFE)—One policeman died and three others were seriously wounded early this morning about 20 km from San Marcos, Ancash Department, when a mine that was planted by alleged members of the Maoist Shining Path gang exploded under the truck in which they were traveling.

The three wounded policemen were evacuated to Lima. Another two policemen traveling in the truck were unhurt.

This new violent action comes within the framework of the wave of crimes and attacks that are preceding the change of government in Peru on 28 July. On 28 July Alberto Fujimori assumes the country's presidency, the date which also marks independence day.

On 25 July, 180 members of the Tupac Amaru Revolutionary Movement (MRTA) for four hours held the city of Yurimaguas, in the jungle department of Loreto, and according to an official communique of the Interior Ministry, killed a marine and a civilian.

Another three members of the naval base that is located on the Huallaga River de Yurimaguas were wounded.

Today some media reports indicate that between 10 and 15 policemen were killed during this raid.

These same reports also indicate that the city's electricity and communications systems, and police posts were destroyed, and that shops and banks were sacked, while an undetermined number of prisoners, including MRTA members, escaped from the local prison.

Unofficial reports indicate that four civilians were murdered during the raid, one of them a leader of Change 90, President-elect Alberto Fujimori's independent movement.

Last night Interior Minister Agustin Mantilla stated that the Yurimaguas attack was carried out by Victor Polay, one of the MRTA's leaders, who escaped with 37 others from a Lima prison through a tunnel on 9 July. [passage omitted]

150 MRTA Terrorists Attack Yurimaguas Town

PY2607135490 Lima Television Peruana in Spanish 1100 GMT 26 Jul 90

[Excerpt] Interior Minister Agustin Mantilla has confirmed a terrorist attack perpetrated by 150 members of the Tupac Amaru Revolutionary Movement [MRTA] in Yurimaguas, in the San Martin Department of San Martin la Libertad region.

According to Minister Mantilla, police and Army officers have already got the town under control. The minister then referred to a violent explosion inside a house in Chorrillos where members of the Shining Path terrorist group died tragically.

[Begin recording] [Mantilla] Unfortunately a group of MRTA terrorists arrived in Yurimaguas town at 0500 today and only left at 1000. Members of the police and Army arrived in Yurimaguas as soon as they could, since this is a small and completely isolated town which is the last town on the coastal highway that branches off in Tarapoto. We have been informed that some public buildings have been destroyed but still do now know exactly how many people were killed or wounded during this cruel attack perpetrated by these terrorists.

[Reporter] How many terrorists perpetrated the attack?

[Mantilla] It has been said that 150 were involved but this has not been confirmed. The first information came from the Corpac [Corporation for Airports and Commercial Aviation] because it seems that the police station and the port chief's office were destroyed.

[Reporter] How many policemen have been killed?

[Mantilla] We still do not know. I do not want to give you erroneous information. [passage omitted] [end recording]

* Change 90 Faces Internal Controversy

* Details of Honma Removal

90SM0151A Lima CARETAS in Spanish 18 Jun 90 pp 12-13

[Text] On Wednesday, 13 June, Victor Honma, general secretary of Change 90, was busy in his office on Calle Teruel in Pueblo Libre when a telephone call interrupted his work. The person on the other end of the line informed him that at that very moment a press bulletin was being circulated at the Crillon Hotel announcing his dismissal from his post. What had happened?

Fujimori had decided to clip Honma's wings just as he was beginning to exercise the privileges of his important post. The version that reached the seventh floor of the hotel was that Honma was assigning positions and delegating duties without consulting the president-elect, who is also president of the party.

Honma had apparently asked departmental secretaries, as they took up their posts, to investigate officials who had occupied positions in the government administration and make contact with independent officials in order to set up executive staffs.

The proposal was part of the Change 90 political plan to make government administration more honest and place independents of proven professional performance in posts of responsibility.

Fujimori takes a different stance, however. He believes it is indispensable to have the cooperation of Aprista [American Popular Revolutionary Alliance] officials, given the absence of leaders from his movement, and he must calculate the possibilities of alliances in Parliament.

"Honma was assuming powers that did not belong to him, such as making commitments to political officials in the provinces," one source close to Fujimori told CARETAS.

In order to settle things once and for all, Honma, general secretary since October of last year, and the president-elect met on Monday night and reached an agreement: Honma would resign from his post to assume new duties within the Executive Branch. Fujimori asked for his written resignation, but since Honma did not draft the letter until Wednesday and the news was beginning to leak out in the provinces, Fujimori decided to take drastic action.

Fujimori was apparently influenced by the fact that members of Parliament elected from the provinces were beginning to question his decision to remove Honma. They argued that Fujimori's attitude would be a bad precedent for party democracy, inasmuch as no one had been consulted on the measure.

Consequently, when Honma arrived at the Crillon on the very day of his resignation to ask Fujimori for an explanation, he was accompanied by a group of deputies, most of them Evangelists. However, Fujimori refused to see him and he left, visibly mortified.

When questioned by CARETAS about his departure from the Crillon, Honma denied having resigned and said he knew nothing about his successor.

By that time, all reporters had copies of the curriculum vitae of the new general secretary: Andres Reggiardo Sayan, zoologist from the UNA [National Agrarian University], former head of the Department of Nutrition of that university, and former OAS and FAO official for matters relating to food technology.

Not only would Reggiardo become general secretary, but he would also assume the extremely important post of chairman of the National Commission on the Transfer of Power. [This] does not agree with the story provided by Fujimori to Change 90 rank-and-file staffers claiming that Honma, who was responsible for party organization on a national level, had been relieved to assume other duties because the post was taking up all his time.

The crisis reached a climax Friday night when dozens of provincial deputies in a rebellious mood returned to the Crillon to speak with Fujimori, this time accompanied by Carlos Garcia.

Garcia, Honma, Guillermo Yoshikawa, Pablo Correa, Pedro Vilchez, Oscar Cruzado, and Irma Bustamante went up to the seventh floor, where they talked with Fujimori for an hour and a half. The meeting ended on a sour note because they all tried to get the latter to go back on his decision and resume his proposal to make changes in all public posts on 1 August.

Fujimori replied that they would need at least some Aprista officials during the first six months of government until the leaders of his party were prepared to assume their responsibilities.

Upon leaving the meeting, Honma dutifully informed the deputies that he had accepted Fujimori's decision and would be appointed to another post during the transfer.

However, the deputies said that the party rank and file in the provinces were demanding that Honma stay on and that all public posts be filled with new officials. They then agreed to meet the following day to decide what position to take.

The meeting was set for 1800 hours at the Wisconsin Academy in San Luis, but it could not be held. Fujimori apparently summoned the main dissidents to the Crillon in the morning and persuaded them not to encourage internal disagreements. He also warned them that he would not tolerate a meeting at which he was not present.

Nevertheless, 32 deputies decided to meet at the Surge stove plant belonging to Evangelist Senator Julian Bustamente to evaluate the situation.

The assembly took place at midnight on Saturday. Those attending decided to adopt an intransigent attitude toward Fujimori's decision to remove Honma and keep on a number of Aprista officials after 28 July. They even asked for the formation of a parliamentary bloc independent of Change 90 in case action aimed at "moralizing" the party should continue to be undermined. This "moralization" is also accompanied by a plan to distribute public posts rapidly.

The decision pitting Fujimori against most of his deputies was related to the president-elect, who immediately asked for a truce on Sunday in order to resolve the controversy once and for all on Monday. It will be made clear at that time precisely who is at the helm.

* Fujimori Supports Reggiardo

90SM0151B Lima EL COMERCIO in Spanish 17 Jun 90 p A4

[Text] Andres Reggiardo Sayan is the national general secretary of the independent movement Change 90 recognized by President-elect Alberto Fujimori Fujimori.

When the Change 90 Office of the Press Secretary was questioned about Reggiardo's situation yesterday concerning statements made the previous evening by Victor Honma, who claims to occupy the post of general secretary with the backing of the Lima and provincial committees, we were told that Reggiardo is the secretary authorized and recognized by Fujimori.

Reggiardo's position in Change 90 became public last Thursday when a bulletin announced that, in addition to

being general secretary, he had assumed the chairmanship of the National Commission on the Transfer of Government.

Victor Honma told the press on Friday that what had happened and what was stated in the bulletin was in error because, he claimed, he is general secretary.

In addition, Carlos Orellana, who belongs to the activist ranks of the Aprista Party, has reportedly become a kind of personal spokesman rather than press spokesman for Fujimori.

* Bank Reserves Called 'Negative'

90SM0155A Lima CARETAS in Spanish 18 Jun 90 pp 20-21

[Interview with Hector Neyra, former general manager of the Central Reserve Bank, by Fernando Rospigliosi; date and place not given]

[Text] Minister Vasquez Bazan never tires of repeating that he will leave the coffers of the Central Reserve Bank (BCR) filled with foreign exchange. To justify the claim, he has popularized a new concept: "liquid assets." According to Vasquez, such liquid assets total some $800 million. Actually, the minister is uttering either half truths or outright lies. For example, a significant portion of all the gold in the BCR, over $200 million, is in coins and medals which are difficult to sell and which comprise part of Peru's historical and cultural legacy. He includes this sum as assets. According to international agreements, silver is not to be considered part of the net international reserves (RIN). "Net international reserves" are a universally accepted concept for measuring the real payment capacity of a country at any given moment, and at this very moment Peru's net international reserves total under $130 million, a negative figure. The unvarnished truth is that there is not a single dollar in the BCR and metals are being sold to pay debts which cannot be postponed. This is the dramatic situation with which the next government will have to contend. CARETAS talked with Hector Neyra, general manager of the BCR between 1984 and 1987, in an attempt to clarify concepts and figures.

[CARETAS] What is the real situation of our international reserves?

[Neyra] The situation is this: At the present time, our metals are being sold to make certain payments.

The ALADI [Latin American Integration Association] compensation was not paid when it was due during the first week of May. We negotiated with the countries in question to avoid paying. This is the second time in Peru's association with ALADI that this has happened. The first was in 1987. Peru is the agent bank for the entire ALADI system of payments. ALADI is comprised of all South America, plus Mexico and Venezuela. We were supposed to pay $124 million during the first eight days of May.

We did not make the payment and asked to negotiate the payment in installments. The other countries agreed, but with a very tight schedule because they are also facing difficulties. We are paying $28 million a month on that debt. On Friday, the 8th, when we were supposed to pay the $28 million, there was no foreign exchange with which to do it. We had to sell silver. We sold 11 million ounces of silver, which brought in $25 million.

We have a debt to the Andean Reserve Fund (FAR) to pay at the end of the month. In the entire history of the FAR, no country has ever failed to meet its obligations. In the midst of its worst crisis, Bolivia paid the FAR because the five countries in the Andean group own the FAR.

At the end of the month, Peru has to pay $30 million, and the payment has already been postponed twice. According to FAR regulations, payment cannot be postponed more than twice.

[CARETAS] And where will we get the $30 million?

[Neyra] We do not have it in foreign exchange. We would have to sell more silver or gold to make the payment.

[CARETAS] How much is there in green bills now?

[Neyra] A minimal amount, already earmarked for daily payments that have to be made and bank transfers abroad.

[CARETAS] Is there no way to increase the amount of foreign exchange?

[Neyra] By increasing exports, which is impossible in short-range terms.

[CARETAS] And what about buying dollars in Ocona?

[Neyra] We would do that, but it would mean lifting the rate of exchange and they do not want to do that. The Ocona market is small, from $4 million to $10 million a day, and what we need to buy is quite a significant amount. If a state bank tries to buy certificates of free availability to make a deposit and it results in a major increase, just imagine what would happen if the BCR started buying! A large part of the policy was designed to prevent the dollar from shooting up in Ocona.

[CARETAS] What are the implications of this?

[Neyra] We have seen that the symbol of stability is that the dollar is not rising in Ocona and inflation is holding steady at 30 percent a month.

[CARETAS] But is that real or psychological?

[Neyra] It is a matter of having latched on to something.

[CARETAS] How much room will the next government have to maneuver?

[Neyra] It will have to engage in operations involving the sale of metals and try to seek help from Central Banks in friendly countries that want to cooperate with us, which I think will be difficult because all those countries are facing

complicated situations. Either they are carrying out stabilization programs or emerging from their problems.

[CARETAS] Would it be possible to obtain immediate help from the IMF or the World Bank?

[Neyra] Absolutely not! The first year it is extremely difficult, nearly impossible.

Liquid Assets (in millions of dollars)

Total Gold: $743 million, including: Good [as published] delivery, $387 million; refined, $155 million; medals and so on, $201 million.

Silver: $90 million. Foreign exchange: -$36 million.

Total Liquid Assets: $797 million.

Variation in Net International Reserves (in millions of dollars)

July 1985, $894 million; December 1985, $1,493,000,000; May 1990, -$130 million; July 1990 (estimated), -$200 million.

* Petromar Chief Favors Gas Hike

90SM0161A Lima EL COMERCIO in Spanish 22 Jun 90 p A8

[Interview with Petromar [Peruvian Offshore Oil Enterprise] President Carlos Carranza Paredes by E.S.S.; date and place not given]

[Text] The only way to solve the fuel problem and stop importing light oil from Ecuador is to "depoliticize fuel prices, give them their real value, and eliminate the exchange differential," Petromar President Carlos Carranza Paredes said yesterday.

Speaking as director of PETROPERU [State Petroleum Agency], he said that that enterprise would emerge from its current deadlock (losses of some $1.2 billion and debts of $40 million to suppliers) by means of an injection of $500 million in fresh capital. "Only in this way will it be able to return to its real production levels," he said.

He added that it would be a mistake to try to regionalize Petromar "because its production, constituting 18 percent of the country's total, contributes to the oil tax benefiting the Grau region."

"It would be counterproductive to regionalize this enterprise as Deputy Jose Carrasco Tavara has asked, because Petromar, without any need to be regionalized, is already contributing to the region's socioeconomic development. In addition, it provides work for 1,500 workers directly and another similar number indirectly," he said.

Best Oil Offshore

Carranza said that the solution to Peru's energy problems and the stabilization of our economy lies under the ocean floor of the continental shelf.

[EL COMERCIO] What is lacking or what must be done to make this happen?

[Carranza] Petromar must work the entire continental shelf, from Tumbes to Tacna and in deeper water.

[EL COMERCIO] It is not doing so now?

[Carranza] No, because we are short of foreign exchange, risk capital.

[EL COMERCIO] What would be the most viable solution?

[Carranza] To attract foreign investors who would come here to work with their high technology and risk capital.

[EL COMERCIO] Is it certain that there is oil under the entire continental shelf?

[Carranza] Absolutely. Work has been done on seismic lines as far as Pisco, but there is no way to confirm the existence of oil there other than drilling, and that costs money.

[EL COMERCIO] How many wells does Petromar have in the northern sea?

[Carranza] Some 700 in operation around some 90 platforms.

[EL COMERCIO] What is production at present?

[Carranza] About 23,000 barrels a day.

[EL COMERCIO] Was that also true with Belco?

[Carranza] No. At that time, we produced up to 27,000 barrels a day.

[EL COMERCIO] Why the drop? Are our technicians less skilled?

[Carranza] The decline of the wells and the lack of risk capital to invest in more drilling and buy spare parts conspire against better development. Belco could buy parts whenever it wanted. We do not have foreign exchange. Our technicians are as competent as foreigners. Proof of this is the fact that they are constantly wanted abroad. They can work platforms in deep water.

[EL COMERCIO] There was recently a find....

[Carranza] It was a well that produces 3,000 barrels a day and there is now another that produces over 1,000 a day.

[EL COMERCIO] Is it good crude?

[Carranza] The best. It is light. Offshore oil is much better than that from the jungle.

[EL COMERCIO] Better than what Oxy [Occidental Petroleum] extracts?

[Carranza] Most of the oil from the northern jungle is heavy. It has to be refined and a residue is left. The rest is sold abroad or they trade it for light crude.

[EL COMERCIO] What is the useful life of a well on the shelf?

[Carranza] An average of five years. At sea, one has to drill constantly because development wells decline more rapidly offshore.

[EL COMERCIO] How much does it cost to drill a well offshore?

[Carranza] From $1 million to $1.5 million.

[EL COMERCIO] How many wells are drilled from each platform?

[Carranza] About seven. Our plans include going to deeper waters to significantly increase production. Every well at present is two to three miles from the coast.

[EL COMERCIO] To what depth do you drill on the shelf?

[Carranza] We have wells of up to 8,000 feet or about 2,500 meters. One can drill wells of up to 12,000 feet. We are able to do that.

[EL COMERCIO] Do you manufacture your own platforms? How do you install them or set them up?

[Carranza] Yes, we do. We manufacture them in Talara with high technology. They are moved on barges, totally assembled and then dumped into the water until they are erected. Once erected, a team of divers secures them with internal combustion hammers. The whole process takes about 30 days.

Debt to Belco

Carranza explained that a debt of $150 million is owed to the consortium of insurance companies that paid indemnification to Belco when it left the country.

Several alternatives have been proposed to cancel the debt. One of them is to exchange the debt for investments. Companies would come to invest and be paid in production of crude. "They could invest and work in deep waters where the best oil is," he said.

[EL COMERCIO] Was the Belco affair a good deal?

[Carranza] Yes, it was. During the 4.5 years that Petromar has been in existence, it has produced crude equivalent to $600 million at international prices and another $250 million in gas.

35 More Wells

Petromar has a project planned to drill 35 more wells by the end of the year. "Optimistically, we hope to return to a level of 27,000 to 28,000 barrels a day."

[EL COMERCIO] How do you measure the decline of the wells?

[Carranza] In production. Because of the lack of spare parts, we lost some 2,000 barrels of production a day.

[EL COMERCIO] To whom do you sell the crude and at what price?

[Carranza] To PETROPERU. They pay us $10.70 for every barrel of crude and $.61 for every 1,000 cubic feet of gas.

[EL COMERCIO] Dollars in real value?

[Carranza] No, MUC [single exchange market] dollars. This visibly hurts us because the price of crude internationally is $18 a barrel and $2.50 for every 1,000 cubic feet of gas.

[EL COMERCIO] The disproportion is obvious. What can be done?

[Carranza] Reorganize PETROPERU, which would mean reorganizing its subsidiaries. Remember that our production costs are in free dollars and not MUC dollars.

[EL COMERCIO] How much should gasoline cost?

[Carranza] At least 50,000 intis a gallon.

[EL COMERCIO] You are not consulted about prices?

[Carranza] Obviously. No one consults PETROPERU or its subsidiaries about setting prices. That is a political matter, but it should not be.

[EL COMERCIO] If the price per gallon were 50,000 intis, would it cause a split in the domestic economy?

[Carranza] No, because with the rate of inflation we have here, such an increase in the price of fuel would mean five points on the consumer price index. The effect is psychological. When gas goes up, everyone raises his prices disproportionately.

* Agriculture Minister on Drought, Food Supplies

90SM0161B Lima EL COMERCIO in Spanish 22 Jun 90 p A5

[Text] Minister of Agriculture Roberto Angeles Lazo admitted yesterday that the next government will receive the sector in an "alarming" situation. However, he attributed the crisis to the drought, the worst in the last 50 years, he said.

Angeles said that farmers are therefore going through difficult problems because their harvests will be disappointing and food will have to be imported "until it rains," which will apparently not happen for several months. Angeles Lazo has little more than a month left as head of the ministry.

The agriculture minister said the government will continue to import flour, rice, sugar, offal, corn, and livestock feed, among other products.

Angeles made the statements at the conclusion of his meeting with the chairman of the Senate committee investigating the use of the MUC [single exchange market] dollar, Jose Linares Gallo (PAP [Aprista Party

of Peru]), in whose office he said he had left a detailed report on the matter. Despite this fact, the minister said he did not recall the amount of dollars on the Single Exchange Market for authorized imports for his sector. "I do not have the figures in my head and could not say if this implies losses," he said, expressing regret at "not remembering."

Concerning the shortage of flour which caused the planners problems, Angeles said that with the "readjustment" in the price of wheat, wheat flour, French bread, farming or regional [sic], as well as noodles made from bulk wheat flour, the emergency would be met.

In the meantime, Jose Giglio, vice president of the Jose Carlos Mariategui region (Moquegua-Tacna-Puno), announced that on 26 July, a regional strike would be staged to demand the 1.5 billion intis which the Central Government should transfer to them as a result of the regionalization process.

Giglio explained that the region needs the money because of the current emergency. "The drought has destroyed 80 percent of the crops."

Venezuela

Government Announces Changes in Cabinet

PA2607213090 Madrid EFE in Spanish 1957 GMT 26 Jul 90

[Text] Caracas, 26 Jul (EFE)—Venezuelan President Carlos Andres Perez' government team resigned en masse today to facilitate the renewal of the ministerial Cabinet.

Pastor Heydra, director of the Central Information Office (OCI), has pointed out that Perez accepted the Cabinet's resignation and will make the changes he deems necessary within a short time. Eight ministries will be affected by the changes.

It has been unofficially announced that Perez will not make any changes in the economic ministries and will retain Coordination and Planning Minister Miguel Rodriguez, Finance Minister Roberto Pocaterra, and Development Minister Moises Naim.

Sources close to the Presidency report that the new minister of the Presidency Secretariat will be Armando Duran; Roberto Smith will be transportation and communications minister; and Gustavo Navarro Dona will be justice minister.

Vladimir Gessen, former presidential candidate of the New Democratic Generation Movement (NGD), will be tourism minister, while Jonathan Cohen will be the agriculture and livestock minister, the sources said.

It was also learned that Perez will make changes in other government offices, such as the Venezuelan Investment Fund, whose president will be Herbert Torres. Luis Vezga Godoy will become the new director of the OCI.

Perez decided to reshuffle his Cabinet and to change other ranking officials after meeting on Wednesday with the leadership of the ruling Democratic Action (AD) party.

The Venezuelan president, who took power in February 1989, is thus carrying out his second Cabinet change, following the one last March when he accepted the resignation of Finance Minister Egle Iturbe, who went to occupy a ranking post in the Venezuelan oil industry.

Venezuelan Foreign Minister Reinaldo Figueredo, Interior Minister Alejandro Izaguirre, and Energy and Mines Minister Celestino Armas will also remain in their posts, sources close to the government have said.

Suriname

Economic Status of 'Great Concern' to Netherlands

FL2607200890 Paramaribo International Service in English 1730 GMT 26 Jul 90

[Text] The Dutch minister of development cooperation, Jan Pronk, who was on an orientation visit to Suriname, has concluded that the economic situation in the country is a matter of great concern. He said this yesterday during a press conference at the end of a five-day orientation visit to Suriname.

Minister Pronk is of the opinion that Suriname cannot survive much longer with the uneven road of its economy. He said the bad economic situation of Suriname has left a deep impression on him. Pronk said it is, however, refreshing to note that the Suriname government itself has formulated an adjustment policy for the economic recovery of the country. The Dutch minister said that his government's standpoint to link part of the development aid to an adjustment policy is correct and will stick to it. The funds for sectors, such as education and public health, which have not been affected by the restrictions, must, however, be allocated vigorously, said Pronk. He declared that Holland will also try to help refugees in Suriname through private organizations.

The Dutch minister of development cooperation said that he has learned a lot from his orientation visit and the discussions in Suriname were open and friendly. He said the success of his visit will be seen after some months when Holland expresses confidence in the policy of the Surinamese Government. For the time being, there's an insufficient confidence, said Minister Pronk, who left Suriname yesterday after a five-day orientation visit.

[Words indistinct] during the discussions between the Planning Bureau of Suriname and the Dutch development minister, Jan Pronk, there was a controversial point which led to the stalemating of the negotiations. Holland is sticking to the standpoint that the allocations will be made only if Suriname presents an adjustment program.

Minister Pronk said that the limitations on the allocations will be gradually listed if the adjustment program comes off the ground.

The Planning Bureau delegation, which was headed by Vice President Henk Arron, has agreed with this point of view and said it is a violation of the Development Treaty of 1975 between Suriname and Holland.

Pronk Sets Conditions on Aid

FL2607155390 Bonaire Trans World Radio in English 1130 GMT 26 Jul 90

[Text] Dutch Development Minister Jan Pronk said his government will not resume development aid to Suriname until the former Dutch colony puts its economy in order. Mr. Pronk called on Suriname to adopt a structural adjustment program to control its deficit and its inflation.

Suriname's Vice President Henck Arron criticized the decision saying the Netherlands is obligated to give Suriname $100 million a year under a 1975 treaty.

Arron 'Disappointed' With Conditions

PM2607154190 Rotterdam NRC HANDELSBLAD in Dutch 24 Jul 90 pp 1, 3

[Unnamed "own correspondent" dispatch: "Tough Talks in Suriname"]

[Text] Paramaribo, 24 Jul—The Netherlands and Suriname have moved no closer on the issue of the conditions on which Netherlands development aid can be given.

The Surinamese side reacted with disappointment after the first round of talks. However, Development Cooperation Minister Pronk did promise to speed up projects in the fields of education and health.

Yesterday Pronk held a first round of talks with President Shankar and Vice President Arron, among others. The talks were described as "tough in tone, but constructive." Pronk made it clear to his interlocutors that he will in no way abandon the condition that Suriname must first draw up a program for economic reform and recovery before aid can be given. Only in the fields of education, health, and the Surinamese interior have exceptions been made.

In talks yesterday with representatives of Surinamese industry and commerce, Pronk refused to accede to the request to put money immediately into an investment fund for the private sector.

Pronk knows that he has the support of an interim report published this week by an EC committee on an economic reform and recovery program for Suriname. Last year the Surinamese Government asked the EC to draw up such a plan, because Brussels pays greater attention to the social consequences of economic reform than does the International Monetary Fund. Under the terms of the usual procedure the Surinamese Government must agree within a month to the proposals, which include a devaluation of the Surinamese guilder. If it does not, the EC will not follow up the report. According to Pronk, the economic reform and recovery program is now an issue between three parties: Suriname, the EC, and the Netherlands.

The Netherlands minister said that the Surinamese Government's indecision in the last few months in respect to economic policy has damaged confidence in it in The Hague. "That is a political fact, right or wrong." Nevertheless, the minister indicated that he was "positively disposed" toward certain remarks made by the Surinamese. He mentioned in particular Finance Minister Mungra, who held out the prospect of a rapid reduction in the budget deficit. Pronk promised the Surinamese Government to speed up the plans in the fields of education, health, and the Surinamese interior.

Vice President Arron is "disappointed" with Pronk's line—"although I know that he has identified the problems of Suriname and wishes the country well." Arron considers that the Netherlands' allegedly restrictive policy is "at odds" with the agreements reached at the policy talks last year and earlier this year. He was unwilling, however, to make any statement on the EC proposals.